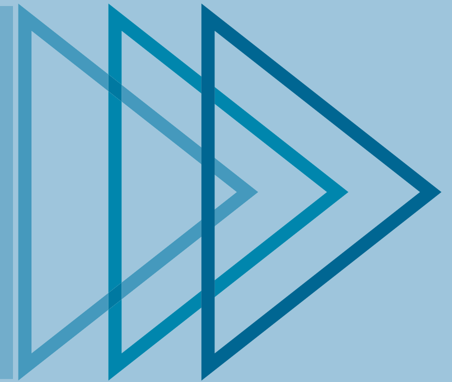
2014 National Health Accounts Report



Bermuda health system finance and expenditure for fiscal year 2012-2013

National Health Accounts Report 2014

Bermuda health system finance and expenditure for fiscal year 2012-2013

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National Health Accounts Report 2014:

Bermuda health system finance and expenditure for fiscal year ending March 2013

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SECTION 1 - INTRODUCTION

The National Health Accounts describe the financial flows that accompany the delivery and consumption of healthcare goods and services in Bermuda. This is the fifth National Health Accounts Report Bermuda has produced. The goals of this report are as follows:

1) to provide the most up-to-date information on health expenditure, covering the fiscal year ending 2013 (FYE 2013)[1];
2) to enable comparison of health expenditure between categories of spending, and to illustrate the overall trend and the trend in each category;
3) to provide inputs for further analysis, forming the basis for monitoring and assessing health system performance.

National Health Accounts play a fundamental role among all health system analyses, as they provide some of the most essential information upon which further analysis needs to be based.

The most essential ingredient for the National Health Accounts is reliable data. The world is experiencing improved availability of higher quality data in larger volumes[2], and with it a cultural shift to increased reliance on empirical evidence, based on data. Globally, this is bringing changes to decision-making in various areas, including individual behaviour, business practices and public policy. Against this backdrop, there is greater expectation for the National Health Accounts in Bermuda to provide and facilitate the generation of more sophisticated information. Moreover, health systems evolve with the diffusion of innovations in medical technology, advancements in health service organization and delivery, changes in disease and demographic patterns, shifting health policy priorities and developments in financing mechanisms. The collection of higher quality and more timely data that anticipate and reflect such developments can potentially be one of the most immediately effective activities for policy-makers. This is an outlook that arises beyond the context of the compilation of National Health Accounts; though in Bermuda's context, the National Health Accounts contribute materially to this endeavour.

This report is organized as follows:

- Section 2 - provides an analysis of health financing and expenditure in Bermuda.
- Section 3 - provides some observations that place Bermuda's financing and expenditure into context.
- Section 4 - concludes the report with a summary of key findings.

[1] Fiscal year 2013 is the period between 1st April 2012 and 31st March 2013.

[2] For example, the phenomenon of "big data", especially the collection of web data from e.g. social networking, internet search indexing and e-commerce sites are often discussed in the media and in academic circles. As another example, in May 2013 the US "Open Data Policy" took effect that requires that data generated by the government be made available in open, machine-readable formats, enabling the public to utilize such data for research, business and any other purposes.

SECTION 2 - HEALTH SYSTEM FINANCE AND EXPENDITURE IN FYE 2013

Table 2.1 below provides a breakdown of total health financing and expenditure during FYE 2013. The appendix provides more details of the components of health financing and expenditure from FYE 2007 to FYE 2013[3].

Table 2.1 - FYE 2013 Bermuda Health System Finance and Expenditure

Health Finance	In BD $'000	% of Total	Health Expenditure	In BD $'000	% of Total
Consolidated Fund – Ministry of Health (MOH)[4]	202,938	29%	Ministry of Health♦	11,569	2%
Consolidated Fund – Department of Social Insurance (DOSI)*	4,385	<1%	Department of Health (DOH)	30,513	4%
Grants from Ministry of Youth, Families & Sports	901	<1%	Bermuda Hospitals Board (BHB)†	310,205	44%
Public Sector Sub-Total	208,224	30%	Public Sector Sub-Total	352,287	50%
Health Insurance	408,602	58%	Local Practitioners – Physicians	50,621	7%
Individual Out-of-Pocket	82,736	12%	Local Practitioners – Dentists	32,118	5%
Donations to Non Profit Organizations	5,466	<1%	Other Health Providers, Services & Appliances	63,878	9%
			Prescription Drugs	43,229	6%
			Overseas Care	101,151	14%
			Health Insurance Administration	61,744	9%
Private Sector Sub-Total	496,804	70%	Private Sector Sub-Total	352,741	50%
Grand Total	**705,028**	**100%**	**Grand Total**	**705,028**	**100%**

***SOURCES**: the Ministry of Finance, The BHB, Bermuda Health Council (BHeC) FYE 2013 health insurance claims returns, Bermuda Monetary Authority (BMA) 2013 statutory insurance financial returns, and the financial statements of approved schemes and leading health sector non-profit entities*

* The DOSI funding is for the War Veterans Association.

♦ The MOH Expenditure item includes $5.1 million of funding for FutureCare.

† This is from the unaudited BHB financial statements and is inclusive of the following: $43.2 million for the operation of MWI and $6.5 million dedicated toward the funding for the new acute care wing. The figure excludes $16.7 million of unpaid claims related to subsidy patients and $2.7 million in respect of an "Allowance for Revenue Cap". The Revenue Cap (which is an agreement with certain insurers) limits the amount of claims that the BHB could recover.

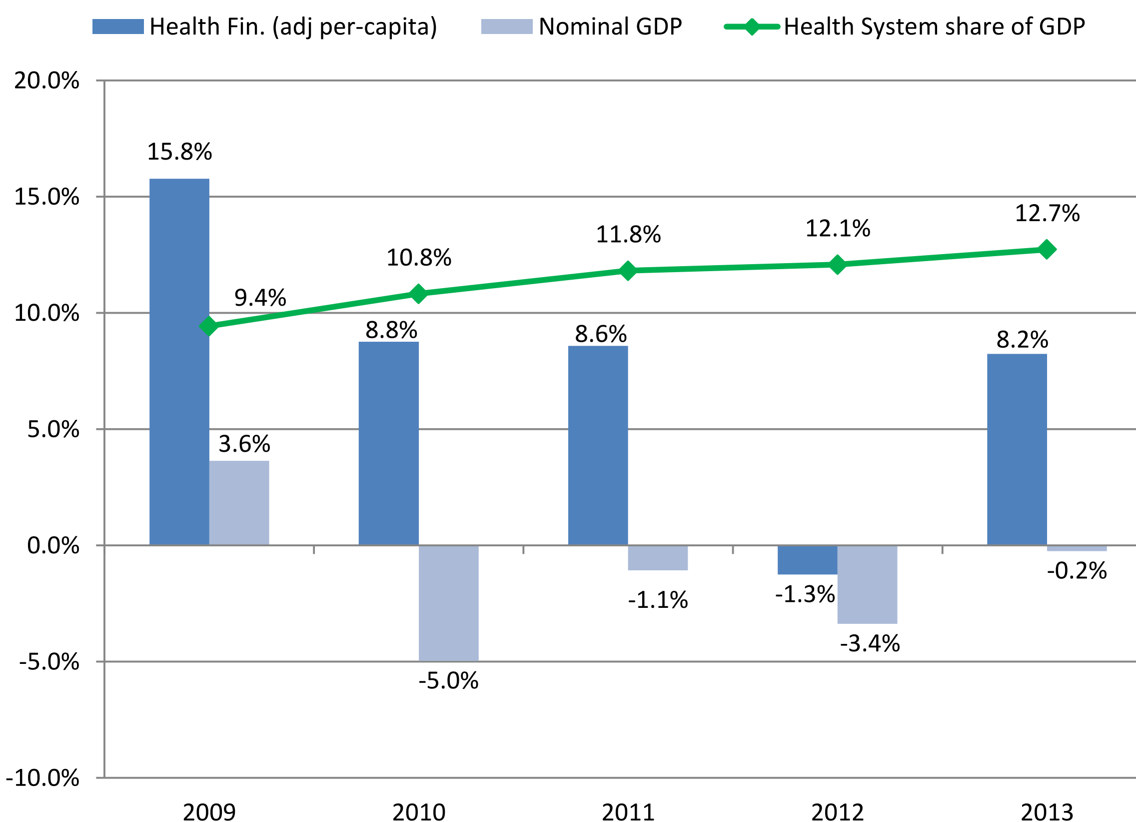
[3] For data from FYE 2004 please visit the Bermuda Health Council's website (www.bhec.bm)

[4] In 2014 the Ministry of Health was renamed the "Ministry of Health, Seniors and Environment". In this report we continue to use the "Ministry of Health" or "MOH" as this was its name during the reporting period, FYE 2012.

The total health system financing and expenditure for FYE 2013 was $705.0 million, a 5.2%[5] increase from FYE 2012 (refer to Appendix A.1) or a 8.2% increase once adjusted for a 2.8% decline in the population. Health expenditure per-capita increased in FYE 2013 to $11,297 (refer to Appendix A.4).

Figure 2.1 indicates the year-over-year change in the total system expenditure (adjusted for Bermuda's population), the change in Bermuda's nominal gross domestic product (GDP), and the health system's share of Bermuda's GDP.

Figure 2.1 - Change in Health Expenditure and Nominal GDP[6]



The health system continued to grow as a portion of the GDP. Total health expenditure amounted to 12.7% of Bermuda's 2012 nominal GDP[7], compared to 12.1% in the previous year[8]. The increase in health's share of GDP during 2010-2013 is due to both real increases in health expenditure and a decline in nominal GDP since 2010. Nominal GDP has declined by 9.4% since 2009 and in contrast, health expenditure has increased by 22.3%.

---

[5] The BHB revenue for FYE 2012 was revised from $295.2 million (as reported in last year's National Health Accounts) to $287.2 million. Consequently, the health system financing and expenditure for FYE 2012 is revised from $678.4 million to $670.4 million. In addition, the FYE 2012 BHB revenue (as revised) excludes $21.3 million of unpaid claims related to subsidy patients. The 5.2% increase is based on the revised FYE 2012 health system financing and expenditure figure of $670.4 million.

[6] Figures are adjusted for the revision in the FYE 2012 BHB revenue (see footnote 5).

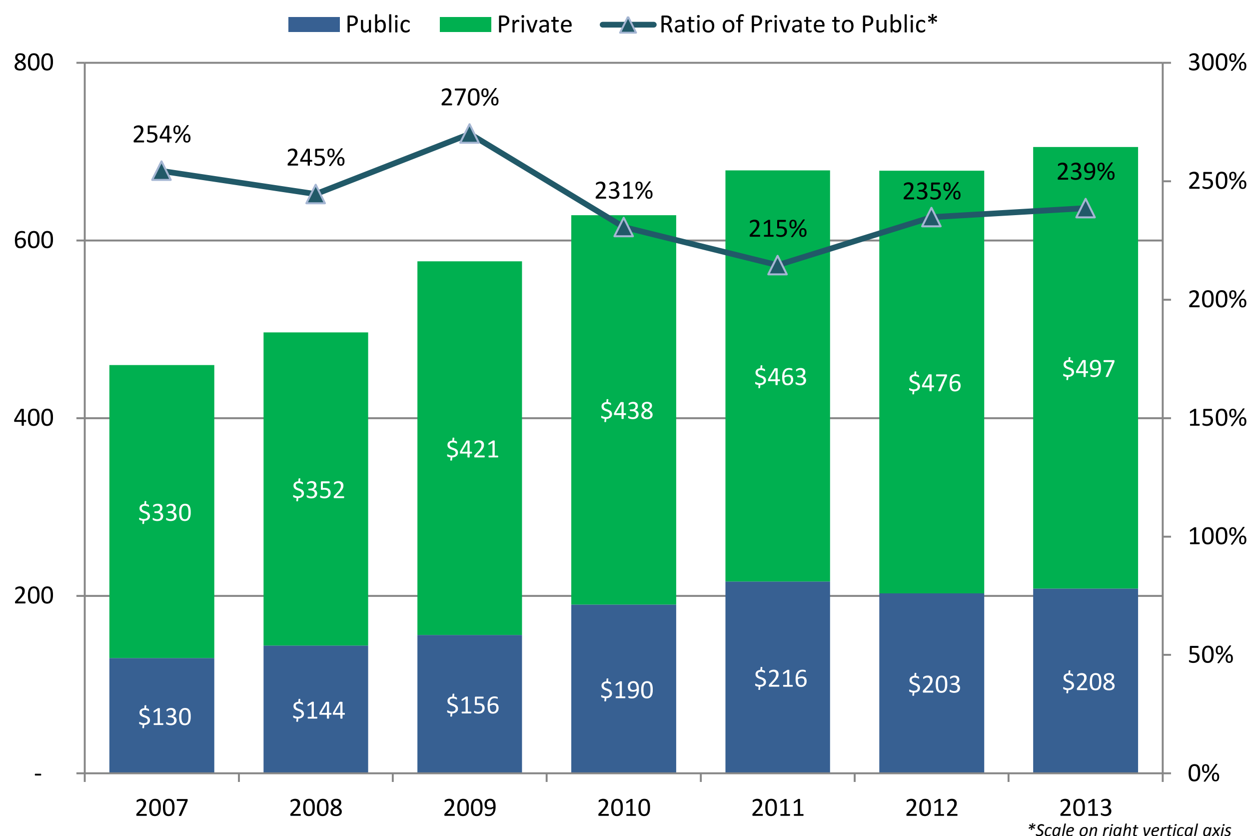
[7] Bermuda's GDP calculation spans calendar years instead of fiscal years. Hence the FYE 2013 health expenditure is compared with the GDP of calendar year 2012, so that their reporting periods coincide for 9 months.

[8] The Bermuda health system fiscal year is from 1st April to 31st March. Therefore health system fiscal data as at 31st March of each year is compared to the nominal GDP data for the prior year ended 31st Dec.

2.1 Health System Financing

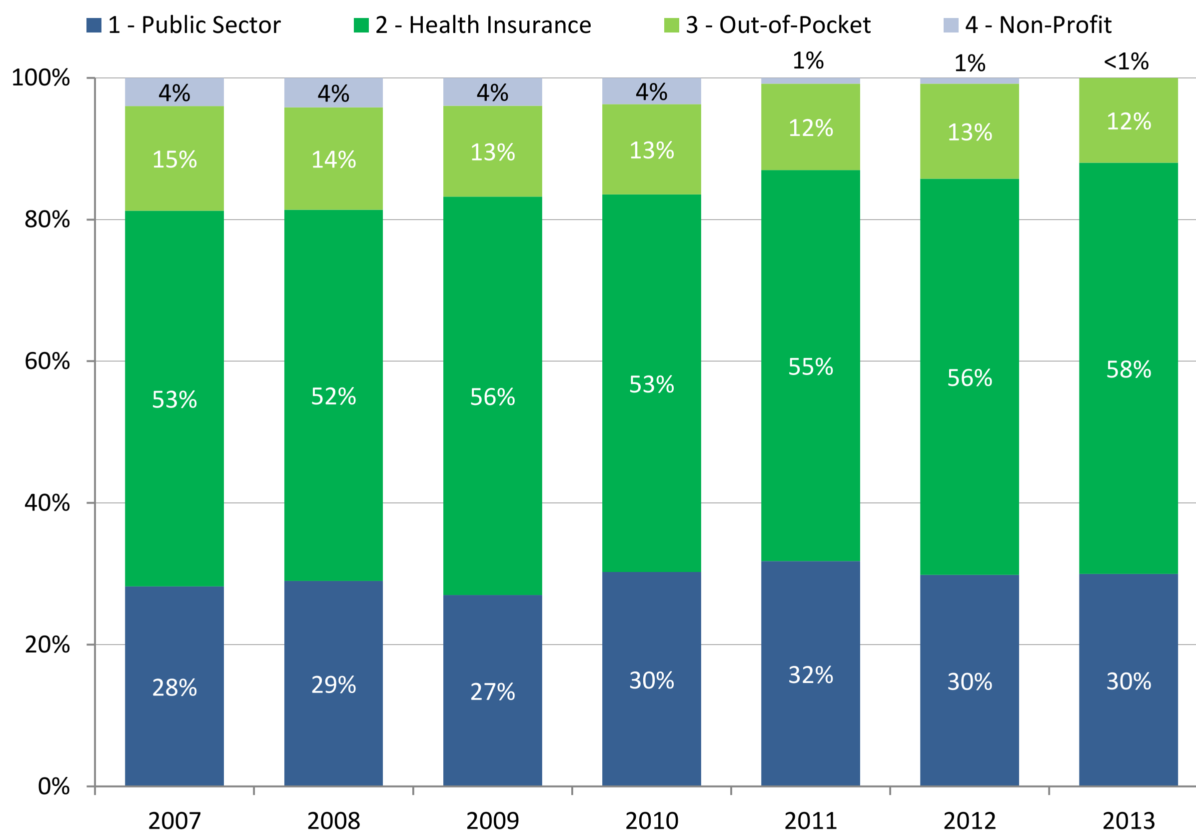
Figure 2.2 shows the relative importance of the public and private sectors as sources of health system funding. During FYE 2013, the private sector contributed $496.8 million compared to the $208.2 million of funds financed through the public sector. Over 2007 to 2013, the private sector funding has been on average 2.4 times the funding through the public sector.

Figure 2.2 - Public and Private Health Financing (in $m)



Since FYE 2011, the share of funding from the private sector has been increasing. This is a reversal of the decline which had been experienced over 2009 to 2011. The recent (FYE 2013) increase in the private sector's share is mostly due to Health Insurance increasing by 7.8% in FYE 2013. Figure 2.3 provides further breakdown of the major sources of health financing.

Figure 2.3 Sources of Health Financing



1. **Public sector** financing represents: direct financing of health promotion and prevention; financing of public health services and primary care provided by DOH; subsidies and grants for secondary care; health administration financing by the MOH; funding for the Health Insurance Department administration and FutureCare[9]; and financing of the various grants to non-profit organizations[10] for health-related purposes.

   Government subsidies and grants constitute the lion's share (approximately 70%) of public sector financing. In FYE 2011, this item had increased by 14%. It declined in FYE 2012 by 5% and increased in FYE 2013 by 4%.

2. **Health insurance** includes health claims paid by all of Bermuda's insurers: four private health insurance companies, the Health Insurance Department (for the Health Insurance Plan (HIP) and FutureCare), three Approved Schemes (employer-funded plans including the Government Employees Health Insurance (GEHI); and the Mutual Re-insurance Fund. A significant proportion

[9] FutureCare and the Health Insurance Plan (HIP) are Bermuda's two affordable, open enrolment health insurance plans provided by the Health Insurance Department of MOH. FutureCare is available only to persons aged 65 and over. HIP is available to any adult.
[10] Prior to 2011, this item was included in private sector financing.

of the funds that finance the claims are compulsory contributions[11] from employees (and self-employed) persons and employers[12].

3. **Individual out-of-pocket** financing includes co-payments, self-financing amounts for uninsured individuals, and full out-of-pocket payments to practitioners and providers for uninsured health related services.

4. **Non-profit** includes donations to non-profit health related organizations. A change in methodology for this item, together with a reclassification of financing received by non-profits from the public sector, has led to a more modest non-profit proportion since FYE 2011.

Ministry of Health Subsidies

The MOH patient subsidies are delivered largely through BHB's medical services[13]. The patient subsidies at BHB constitute 42% of public sector financing. The BHB fees increased modestly[14] from the previous year, and its subsidy revenue increased correspondingly[15]. The MOH subsidies increased 2.2%, while the overall MOH financing of the health system increased 2.8%. In FYE 2013, the MOH capped the Geriatric Subsidy payable to the BHB at $10 million. The decline in the Indigent Subsidy, which is designed to assist those with no health insurance and unable to pay for hospitalization, is due to fluctuations in eligible populations and variations in adjudication timing for Standard Hospital Benefit (SHB) claim amounts.

Table 2.2 - Ministry of Health Subsidies at BHB (BD $'000)

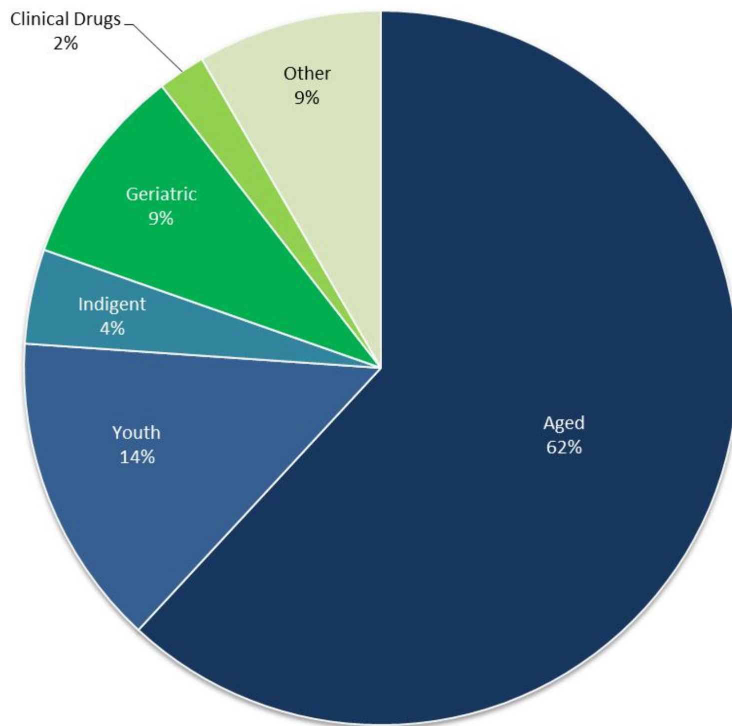
	FYE 2013	FYE 2012	% Change
Patient Subsidies	88,216	83,387	5.8%
• Aged Subsidy	67,937	59,798	13.6%
• Youth Subsidy	15,580	14,638	6.4%
• Indigent Subsidy	4,699	8,951	-47.5%
Other Subsidies	21,552	23,974	-10.1%
• CCU/Geriatric Subsidy	10,000	16,583	-39.7%
• Clinical Drugs Subsidy[16]	2,368	-	N/A
• Other Subsidies	9,184	7,391	24.3%
Grand Total	**109,768**	**107,360**	**2.2%**

[11] Due to the compulsory nature of health insurance for employed (and self-employed) persons.
[12] The *Health Insurance Act 1970* mandates employers to provide SHB insurance for employees and their non-employed spouses and to pay 50% of its premium.
[13] The MOH patient subsidies are portable (prior to FYE 2015) so include some overseas care, in addition to services delivered through BHB.
[14] The Actuarial Review for FYE 2013 noted an increase of 2.0% for Standard Hospital Benefit fees at BHB.
[15] The Actuarial Review for the Standard Hospital Benefit for FYE 2013 found an increase in local SHB claims of 3%.
[16] There was no Clinical Drugs Subsidy for FYE 2012.

Figure 2.4 - Components of the Ministry of Health Subsidies

Figure 2.4 depicts the breakdown of the MOH subsidies for FYE2013.

The majority of the subsidies are Aged Subsidy, which subsidizes SHB for seniors.



2.2 Health Expenditure

Total health expenditure for FYE 2013 was $705.0 million. Total public and private sector health expenditure were similar, at $352.3 million and $352.7 million respectively; in contrast, the mix of public and private financing was approximately 30% and 70% respectively.

Figure 2.5 - Public and Private Health Expenditure (in $m)

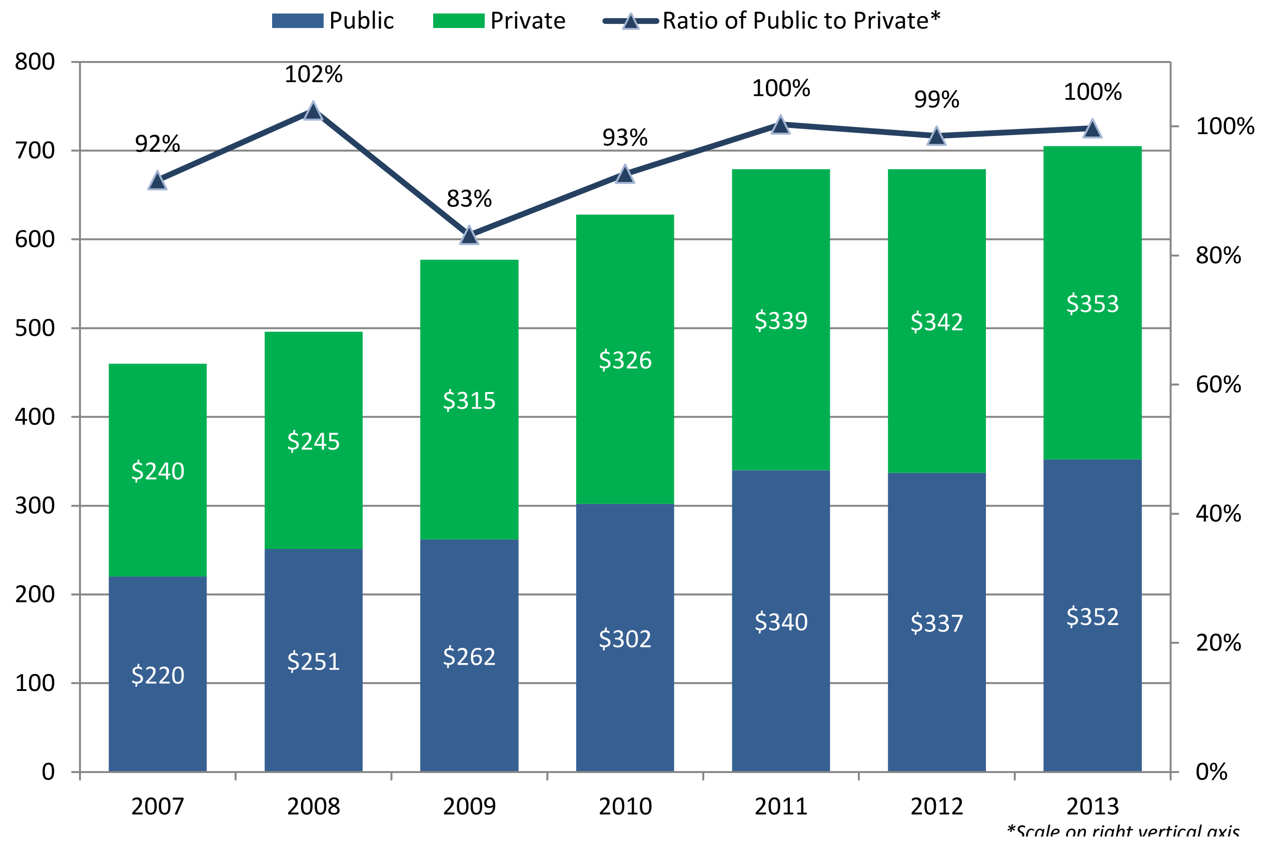


Figure 2.6 and 2.7 below show the relative importance and growth of the components of health expenditure during the period 2007 to 2013.

Figure 2.6 - Components of Health Expenditure

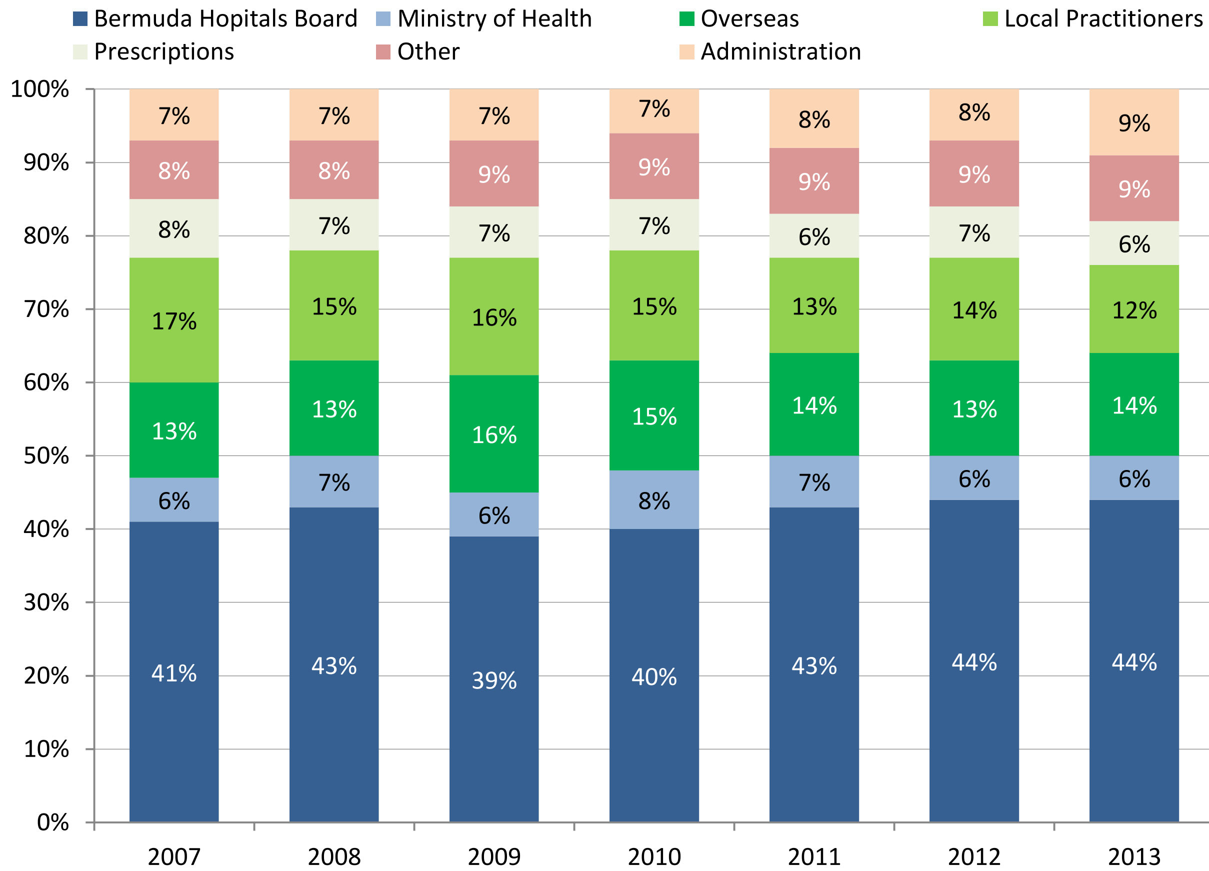
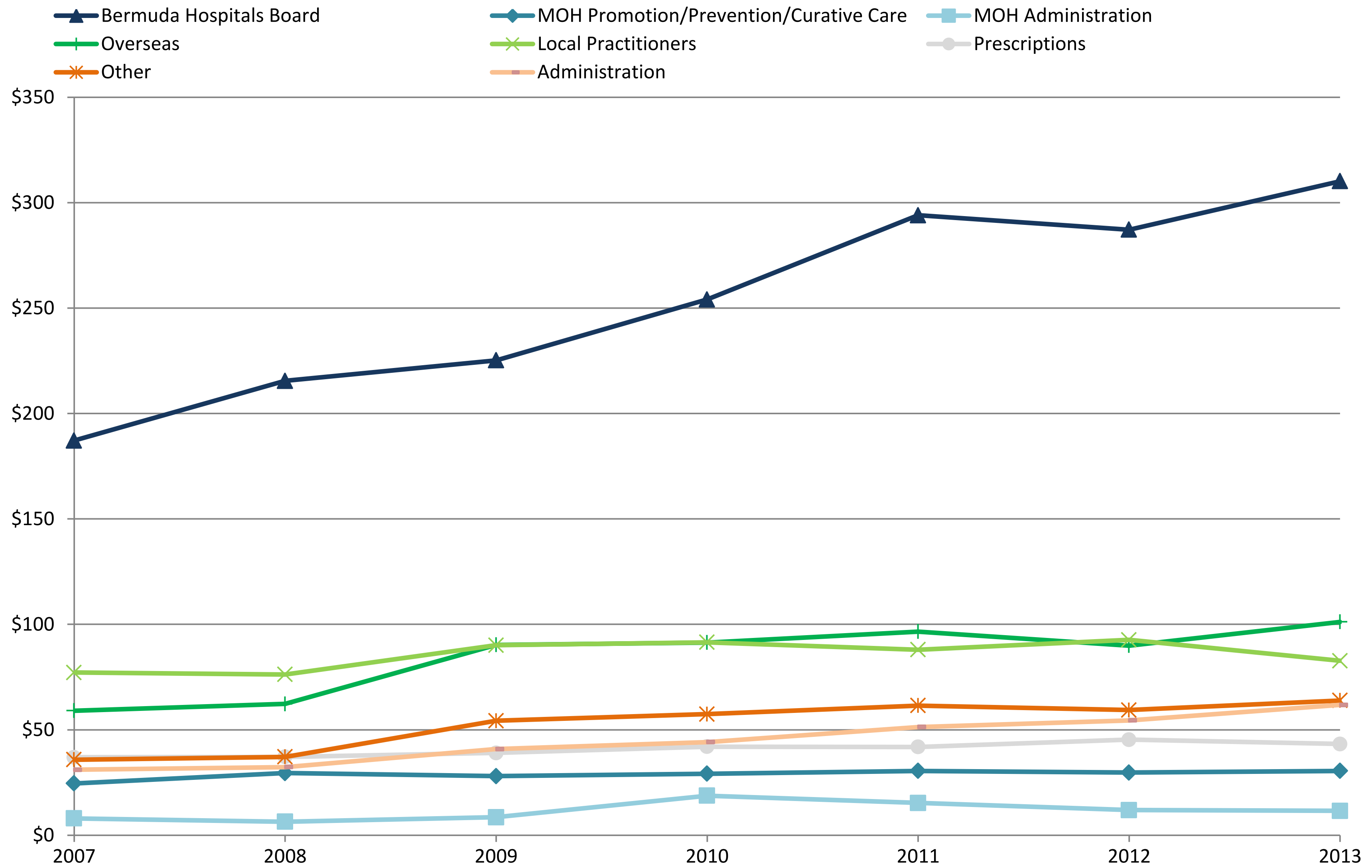


Figure 2.7 - Growth of Health Expenditure Items (BD $'000)



In the public subsector the most significant component of expenditure was the patient subsidies and grants at the island's single hospital system operated by the Bermuda Hospitals Board. On average during the period FYE 2007 to FYE 2013, the BHB absorbed 42% of the island's health expenditure[17]. The BHB was also the largest component of total health expenditure during the period. In FYE 2013, 49% of the BHB revenue came from government[18]. The growth in the BHB expenditure since FYE 2011 is partly attributable to various additional specialist physician services being provided by the BHB (such as obstetrics, cardiology and oncology), and an increase in the number of patients requiring dialysis.

The MOH item[19] includes the DOH. The former accounts for 2% of total health expenditure and the latter for 4% of total health expenditure. These are similar to the percentages from the previous year.

The most significant component of private health expenditure was overseas care. In FYE 2013, overseas care expenditure totalled $101.2 million or 14% of total health expenditure. The majority of overseas care expenditure was on inpatient and outpatient care from overseas hospitals, totalling 58% of overseas health expenditure in FYE 2013. The rest of overseas care spending comprises of fees paid for services such as overseas physicians, dentists and other categories of healthcare providers, overseas prescription drugs, overseas diagnostic imaging and laboratory, and hotel and transportation costs. After declining by 9% in FYE 2012, overseas care increased by 12% in FYE 2013.

In FYE 2013, the expenditure on local physicians and dental practitioners declined by 16%[20] and 2% respectively. Expenditure in the "Other Health Providers, Services, and Appliances" category increased by 8%. This category is predominantly comprised of expenditure on local diagnostic imaging and laboratory services, but also includes the professional services of a wide range of local healthcare providers such as chiropodists, chiropractors, dieticians, specialized disease management counsellors, physiotherapists, optometrists, podiatrists, psychologists, psychiatrists; immunizations, and home health care. Spending on prescription drugs during FYE 2013 decreased 5% to $43.2 million.

The amount spent on health insurance administration[21] was $61.7 million, which represents 9% of total FYE 2013 expenditure and is an increase of 13% from the previous year. Of all the categories of expenditure, this item has grown most rapidly over the period 2007 – 2013.

[17] Since FYE 2011, the BHB expenditure item is based on total BHB revenue (or operating costs, if greater); whereas the prior periods are based on total BHB operating costs (we note that in some years, there is not a significant difference between these items). See the notes below Table 2.1 for certain items that are included in the BHB revenue.

[18] Mostly through $109.8 million of patient and other subsidies (in Table 2.2) and a $43.2 million operating grant for the Mid-Atlantic Wellness Institute.

[19] The MOH includes $5.1 million of funding for FutureCare medical claims; delivery of services and functions such as budget management, human resource management, the management of the health system and legislative processes, and grants to charitable, non-governmental organizations. Further, the MOH (through the HID) administers the subsidy programmes, the Mutual Reinsurance Fund, as well as FutureCare and the Health Insurance Plan (HIP). The DOH includes expenditure on environmental health, epidemiology, health promotion, preventative care and curative care.

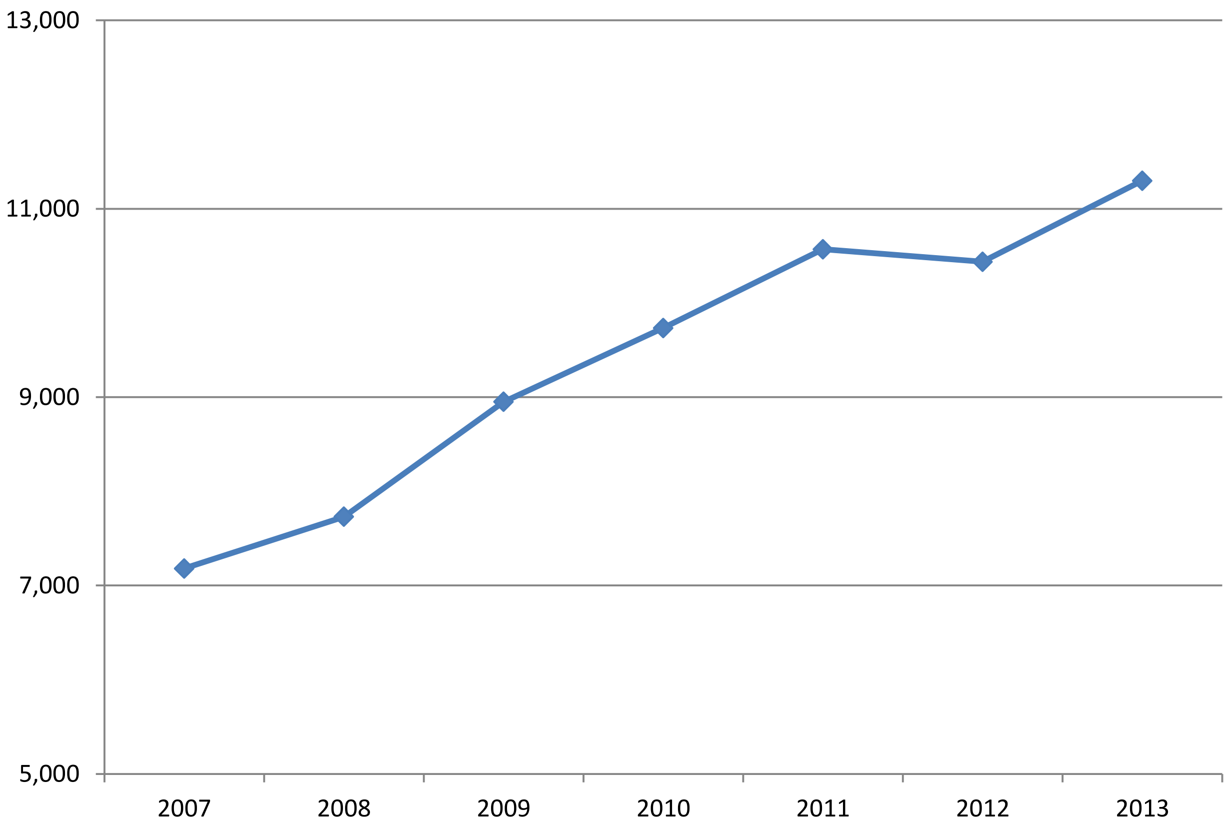
[20] The decline is due to a revision in the FYE 2013 data preparation making the FYE 2012 data incomparable with FYE 2013.

[21] Health insurance administration expenditure includes the selling, general, and administrative expenses of all licensed health insurers (which includes claims processing, payroll and advertising costs, sales expenses, information technology costs).

SECTION 3 - HEALTH COSTS IN CONTEXT

Health costs have been increasing in many countries and Bermuda has exhibited the same general trend. With total health expenditure increasing in FYE 2013 by 5.2%, and Bermuda's population declining by 2.8%, these two measures combined lead to an overall per capita health expenditure growth rate of 8.2% for FY 2013. Figure 3.1 shows per capita health expenditure for the period FYE 2007 – FYE 2013.

Figure 3.1 - Per capita health expenditure

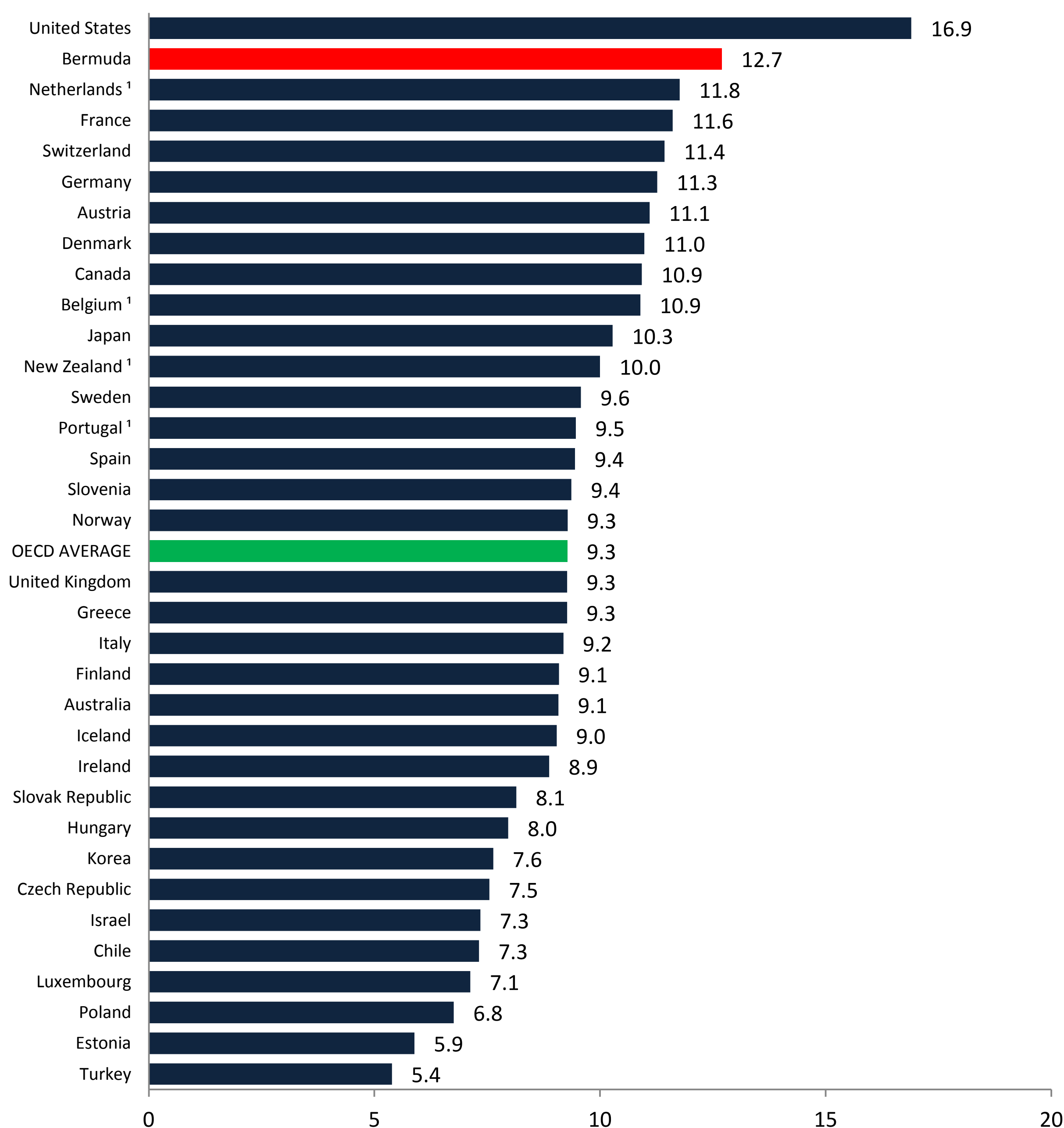


Health expenditure, reflecting health-related economic activity, continues to constitute a larger share of total economic activity. Although nominal GDP was relatively unchanged over FYE 2013, the decline in Bermuda's population together with an increase in health expenditure can lead to relative unaffordability. In addition to considering the absolute amount of health expenditure, it is important to consider what is affordable given the size of GDP. In FYE 2013, health expenditure in Bermuda reached 12.7% of GDP, which is high compared to OECD[22] countries.

[22] OECD stands for Organisation for Economic Co-operation and Development, an international economic organization of 34 countries.

The following graphs indicate that Bermuda's health expenditure as a share of GDP in 2013, at 12.7%, is higher than the OECD average at 9.3% and higher than all OECD countries except the United States.

Figure 3.2 – Health expenditure as a share of GDP, 2013 (or latest year available)[23]



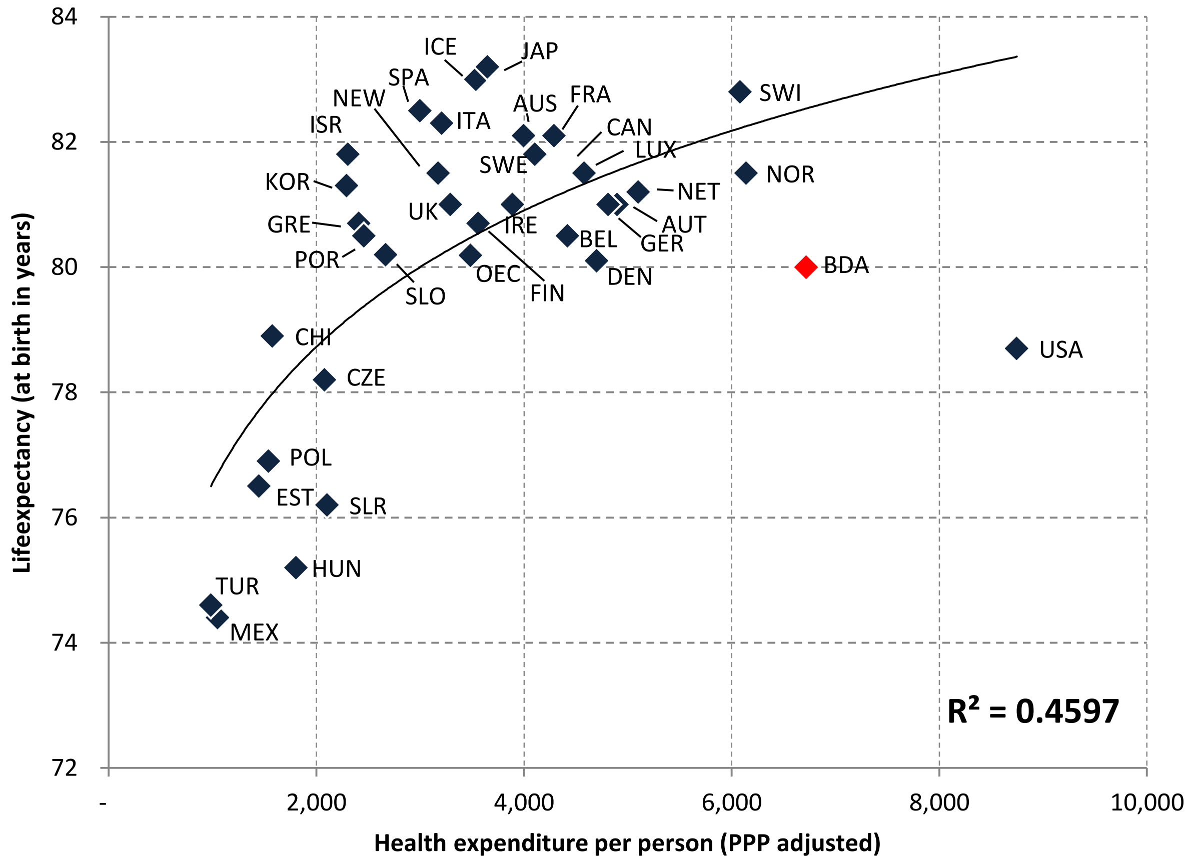
[1]*Excluding investments*

***Source**: OECD Health Data 2013*

[23] 2013 Health Data from the Organization of Economic Co-operation and Development (OCED) - http://stats.oecd.org/

Despite higher expenditure, life expectancy in Bermuda is lower than in a majority of OECD countries. Countries such as Canada, Australia, Luxembourg, the United Kingdom and Portugal have higher life expectancy despite spending less per capita than Bermuda (PPP adjusted[24]; see Figure 3.3).

Figure 3.3 - Life expectancy at birth and health expenditure per capita, 2013 (or latest year available)

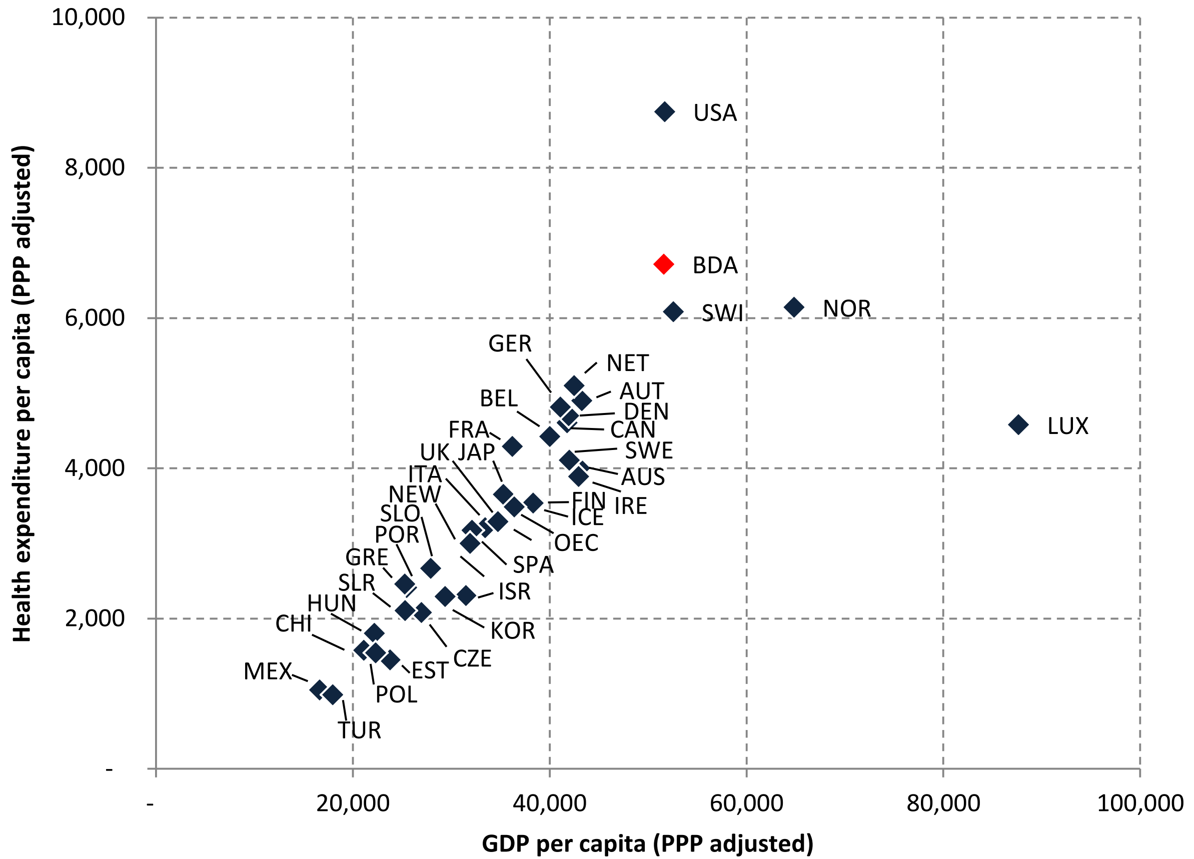


***Source**: OECD Health Data 2013*

[24] PPP means Purchasing Power Parity. PPP adjustment is a technique to determine the relative value (purchasing power) of currencies. In Figures 3.3 and 3.4, Health expenditures and GDP are PPP adjusted to enable comparison between countries. PPP was obtained from the University of Pennsylvania's Center of International Comparisons of Production, Income and Prices.

While countries tend to spend more on health when per capita GDP is higher (Figure 3.4), with the exception of the United States, Bermuda spends more on health than similarly affluent countries, such as Switzerland, the Netherlands, Norway and Luxemburg, but life expectancy is lower in Bermuda than in all four countries.

Figure 3.4 - Total health expenditure per capita and GDP per capita, 2013 (or latest year available)



***Source**: OECD Health Data 2013*

SECTION 4 - CONCLUSION

Over the FYE 2012–FYE 2013 period, health financing and expenditure has increased by 5.2%[25]. On a per capita basis, due to a 2.8% decline in Bermuda's population, the increase was 8.2%. The decline in the population is likely those of relatively good health and of a working age. This might be a factor influencing the increase in per capita costs. Financing from the public and private sector has increased by 2.8% and 4.4% respectively. Within the private sector, financing from health insurance increased by 7.8%. Public sector health expenditure increased by 4.6%, and private sector health expenditure increased by 3.2%. The increase in health financing and expenditure is likely the result of interplay of multiple factors. It is beyond the scope of the National Health Accounts to discuss the impact of such changes on the health status of the population. However, some of the changes, such as reduced insured headcount, may have repercussions on health status.

With the contraction of GDP, health expenditure increased as a share of GDP. In FYE 2013, health expenditure as a percentage of nominal GDP increased from 12.1% to 12.7%. The persistently high expenditure on health, despite the decline in nominal GDP, indicates the relative resilience of health expenditure to changes in economic conditions. In particular, given that Bermuda's share of health expenditure to GDP is high compared to OECD countries, and that Bermuda's health expenditure per person is high relative to life expectancy, it will be an important challenge for the country to control this trend while maintaining quality of care and quality of life.

[25] Based on the revised FYE 2012 health system financing and expenditure figure of $670.4 million.

APPENDIX[26]

Appendix A.1 - Health System Financing FYE 2007 – FYE 2013 (BD$, '000)

Health Finance Sector	2007	2008	2009	2010	2011	¤2012	2013	¤13 vs 12	'07-'13	AAGR[27]
Public Health Financing	129,735	144,056	155,772	190,111	*215,886	*202,641	*208,224	2.8%	60.5%	10.1%
Ministry of Health (MOH)	4,993	3,396	8,505	♦28,737	♦35,194	♦30,250	♦28,896	-4.5%	478.7%	79.8%
Department of Health	24,540	29,463	28,023	29,135	30,508	29,693	30,513	2.8%	24.3%	4.1%
Patient subsidies & Operating Grants	100,202	111,197	119,244	132,239	150,184	142,699	148,815	4.3%	48.5%	8.1%
Private Health Financing	329,909	352,263	420,532	438,343	463,076	475,801	496,804	4.4%	50.6%	8.4%
Health Insurance	243,755	259,877	323,778	334,893	374,686	379,160	408,602	7.8%	67.6%	11.3%
Individual Out-of-Pocket Financing	67,707	71,633	74,101	80,103	82,748	90,985	82,736	-9.1%	22.2%	3.7%
Charitable Non-Govt. Organizations†	18,447	20,753	22,653	23,347	5,642	5,655	5,466	-3.3%	-70.4%	-11.7%
Total Health Financing	**459,644**	**496,319**	**576,304**	**628,454**	**678,962**	**678,442**	**705,028**	**3.9%**	**53.4%**	**8.9%**

Source: Department of Statistics, The Accountant General, Ministry of Finance, Government of Bermuda, and BHeC annual health insurance claims returns.

¤Despite subsequent revisions (in particular see footnote 5) the figures throughout the Appendices for FYE 2012 are unadjusted from those tabled in last year's report.

*2011 - 2013, this item includes the Ministry of Health, Department of Social Insurance (expenditure on behalf of the War Veterans Association), and grants from Ministry of Youth, Families & Sports to a few health-related charities. The prior periods contain the Ministry of Health only.

♦Items include funding for FutureCare, the War Veterans, various grants, funding for the HID, and other MOH services and functions.

†Estimated from 2007-2013 financial data supplied by non-profit organizations. Due to a change in methodology since FYE 2011 for donations to non-profit organizations, together with a reclassification of financing received by non-profits from the public sector, FYE 2011 to FYE 2013 is not comparable with prior period figures.

[26] For additional data from FYE 2004 – FYE 2006 please visit the Bermuda Health Council's website (www.bhec.bm)
[27] AAGR means Average Annual Growth Rate

Appendix A.1 (Continued) – Health System Financing FYE 2007 – FYE 2013 (BD$, '000)

	2007	2008	2009	2010	2011	2012	2013	Avg '07-'13
Public Health Financing % of Total Govt. Expenditure	13.6%	14.1%	14.0%	16.2%	17.0%	16.3%	16.6%	15.4%
Health Insurance % of Total Health System Financing	53.0%	52.4%	56.2%	53.3%	55.2%	55.9%	58.0%	54.8%
Individual Out-of-Pocket Financing % of Total Health System Financing	14.7%	14.4%	12.9%	12.7%	12.2%	13.4%	11.7%	13.2%
Annual Growth in Patient Subsidies & Operating Grants	8.5%	11.0%	7.2%	10.9%	13.6%	-5.0%	4.3%	7.2%

Appendix A.2 – Bermuda Government Subsidies (FYE 2007 – FYE 2013 in BD$, '000)

Bermuda Government Patient and Other Subsidies	2007	2008	2009	2010	2011	2012	2013	13 vs 12	2007 - 2013	AAGR
Patient Subsidies										
• Aged Subsidy	35,462	41,358	46,877	46,165	55,802	59,798	67,937	13.6%	91.6%	15.3%
• Youth Subsidy	8,708	9,631	10,176	14,719	16,433	14,638	15,580	6.4%	78.9%	13.2%
• Indigent Subsidy	7,476	5,176	2,917	5,026	5,894	8,951	4,699	-47.5%	-37.1%	-6.2%
Total Patient Subsidies	51,646	56,165	59,970	65,910	78,129	83,387	88,216	5.8%	70.8%	11.8%
Other Subsidies										
• CCU/Geriatric Subsidy	11,602	12,673	13,728	13,473	15,188	16,583	10,000	-39.7%	-13.8%	-2.3%
• Clinical Drugs Subsidy[28]	2,522	2,549	2,215	2,368	2,368	-	2,368	0.0%	-6.1%	-1.0%
• Other Subsidies	4,537	5,447	6,830	6,986	6,847	7,391	9,184	24.3%	102.4%	17.1%
Total Other Subsidies	18,661	20,668	22,772	22,828	24,403	23,974	21,552	-10.1%	15.5%	2.6%
Grand Total	**70,307**	**76,833**	**82,742**	**88,738**	**102,532**	**107,360**	**109,768**	**2.2%**	**56.1%**	**9.4%**

[28] There was no Clinical Drugs Subsidy for FYE 2012.

Appendix A.3 - Health System Expenditure FYE 2007 – FYE 2013 (BD$, '000)

	2007	2008	2009	2010	2011	2012	2013	13 vs 12	2007 - 2013	AAGR
Public Sector Health Expenditure	219,667	251,317	261,770	301,990	*339,810	336,766	352,287	4.6%	60.4%	10.1%
Ministry of Health (MOH)	32,533	35,859	36,528	47,872	45,800	41,601	42,082	1.2%	29.4%	4.9%
• Promotion/Prevention/Curative Care	24,540	29,463	28,023	29,135	30,508	29,693	30,513	2.8%	24.3%	4.1%
• Administration†	7,993	6,396	8,505	18,737	15,292	11,908	11,569	-2.8%	44.7%	7.5%
Bermuda Hospitals Board (BHB)	187,134	215,458	225,242	254,118	*294,010	♦295,165	♦310,205	£5.1%	65.8%	11.0%
Private Sector Health Expenditure	239,977	245,003	314,534	326,464	339,152	341,676	352,741	3.2%	47.0%	7.8%
Local Practitioners	77,122	76,206	90,123	91,516	87,998	92,648	82,739	-10.7%	7.3%	1.2%
• Physicians	53,110	53,526	61,870	60,826	58,217	59,912	50,621	-15.5%	-4.7%	-0.8%
• Dentists	24,012	22,680	28,253	30,690	29,781	32,736	32,118	-1.9%	33.8%	5.6%
Other Providers, Services, Appliances & Products	35,795	37,113	54,239	57,422	61,449	59,334	63,878	7.7%	78.5%	13.1%
Prescription Drugs	36,935	37,121	39,046	41,969	41,847	45,334	43,229	-4.6%	17.0%	2.8%
Overseas Care	59,074	62,267	90,264	91,384	96,556	89,933	101,151	12.5%	71.2%	11.9%
Health Insurance Administration	31,051	32,296	40,863	44,173	51,302	54,427	61,744	13.4%	98.8%	16.5%
Total Health Expenditure	**459,644**	**496,320**	**576,304**	**628,454**	***678,962**	**§678,442**	**705,028**	**3.9%**	**53.4%**	**8.9%**

SOURCE: The Accountant General, The Ministry of Finance, The Bermuda Hospitals Board, BHeC annual health insurance claims returns

*Since FYE 2011 the methodology to present BHB expenditure was changed to report total BHB revenue (or operating costs, if greater). Prior periods were based on total BHB operating costs. The change in methodology impacts Public Sector Health Expenditure and Total Health Expenditure (THE). Using BHB operating costs for 2010 & 2011, THE increased by 5.1%. Using BHB revenue for 2010 & 2011, THE increased by 5.0%.

♦These revenue amounts are unaudited. In 2014, the FYE 2012 revenue was revised from $295.2 million to $287.2 million. Further, these items exclude the unpaid claims related to subsidy patients ($21.3 million in FYE 2012 and $16.7 million in FYE 2013) and the "Allowance for Revenue Cap" ($3.3 million in FYE 2012 and $2.7 million in FYE 2013.

†This item includes funding for FutureCare medical claims (since FYE 2010); delivery of MoH related services and functions, and grants to charitable, non-governmental organizations. It also includes the DoSI Health Insurance Plan Administration (for the subsidy programmes, the MRF, FutureCare and HIP), which was reported in the previous National Health Accounts as a separate item. The DoSI Health Insurance Plan Administration was transferred to MOH in FYE 2009.

§The revised FYE 2012 health system expenditure is $670.4 million (a 1.3% decline over FYE 2011). If the BHB's "Allowance for Revenue Cap" were included in the accounting of FYE 2012, then the health system financing and expenditure would increase to $673.7 million, which is a 0.8% decline over FYE 2011.

£ Based on revised BHB revenue, the increase in FYE 2013 is 8.0% (or 7.7% if the "Allowance for Revenue Cap" were included).

Appendix A.4 - Analysis of Health System Expenditure FYE 2007 – FYE 2013 (BD$, '000)

Analysis of Expenditure	2007	2008	2009	2010	2011	2012	2013	13 vs 12	Avg '07-'13
Natn'l Government Current Expenses	952,606	1,022,899	1,112,193	1,176,834	1,272,651	1,245,741	1,253,712	0.6%	-
Total Health Expenditure (THE) (BD$)	459,644	496,320	576,304	628,454	678,962	678,442	705,028	3.9%	-
Estimated Population	64,009	64,209	64,395	64,566	64,237	64,237	*62,408	-2.8%	-
Per Capita Health Expenditure (BD$)	7,181	7,730	8,950	9,734	10,570	10,562	11,297	7.0%	-
Public Health Expenditure (BD$)	219,667	251,317	261,770	301,990	339,810	336,766	352,287	4.6%	-
Public Health Exp % of Natnl. Govt. Exp	23.1%	24.6%	23.5%	25.7%	26.7%	27.0%	28.1%	-	25.5%
Public Health Exp % of GDP	4.1%	4.3%	4.3%	5.2%	5.9%	6.1%	6.4%	-	5.2%
Public Health Exp Per Cap.(BD$)	3,432	3,914	4,065	4,677	5,290	5,243	5,645	7.7%	-
Public Health Expenditure as % of THE	47.8%	50.6%	45.4%	48.1%	50.0%	49.6%	50.0%	-	48.8%
BHB Expenditure as % of THE	40.7%	43.4%	39.1%	40.4%	43.3%	43.5%	44.0%	-	42.1%
Prescription Drug Exp % of THE	8.0%	7.5%	6.8%	6.7%	6.2%	6.7%	6.1%	-	6.8%
Nominal GDP (BD$) ♦	5,414,299	5,895,048	6,109,928	5,806,378	5,744,414	5,550,771	5,537,537	-0.2%	-
Total Health Exp share of GDP (%)♦	8.5%	8.4%	9.4%	10.8%	11.8%	12.2%	12.7%	-	10.6%
Nominal GDP YoY Growth Rate (%)♦	11.2%	8.9%	3.6%	-5.0%	-1.1%	-3.4%	-0.2%	-	2.0%
THE YoY Growth Rate (%)	7.8%	8.0%	16.1%	9.0%	8.0%	-0.1%	3.9%	-	7.5%
Health & Personal Care Price Index (%)	6.8%	6.6%	6.7%	8.1%	7.5%	6.6%	8.3%	-	7.2%
Overseas Care % of THE	12.9%	12.5%	15.7%	14.5%	14.2%	13.3%	14.3%	-	13.9%

SOURCE: Department of Statistics.

*The population figure was determined from "Bermuda's Population Projections 2010-2020" prepared by the Department of Statistics. For 2011 and 2012, the population figure was kept the same due to the projection of stability in the population and the lack of consistent estimates during the time the report was prepared. Prior to the publication of the results of the 2010 census, the population figures are from the Department of Statistics' 2006 projection "Mid-Year Population Projections July 1, 2000 to July 1, 2030".

♦The GDP figures shown are for 2006 – 2012. GDP is reported on a calendar year basis. The Bermuda health system fiscal year is from 1st April to 31st March. Therefore health system fiscal data as at 31st March of each year is compared to the nominal GDP data for the prior year ended 31st Dec.