



Employers' Compliance with the Health Insurance Act

Annual Report 2015

Bermuda Health Council: Employers' Compliance with the Health Insurance Act 1970 Annual Report 2015

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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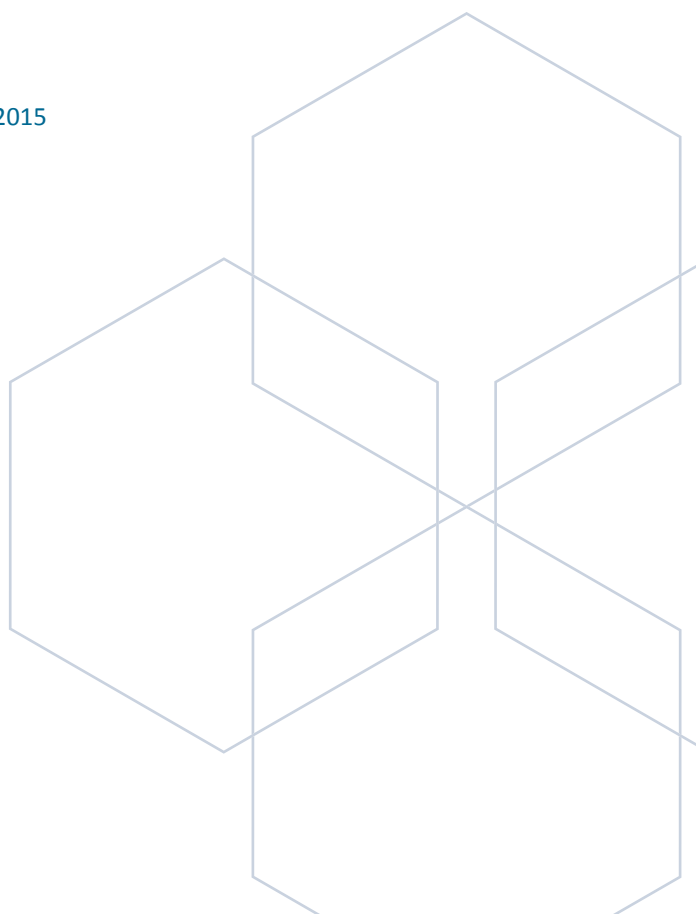
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EMPLOYERS' COMPLIANCE WITH THE HEALTH INSURANCE ACT 1970

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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

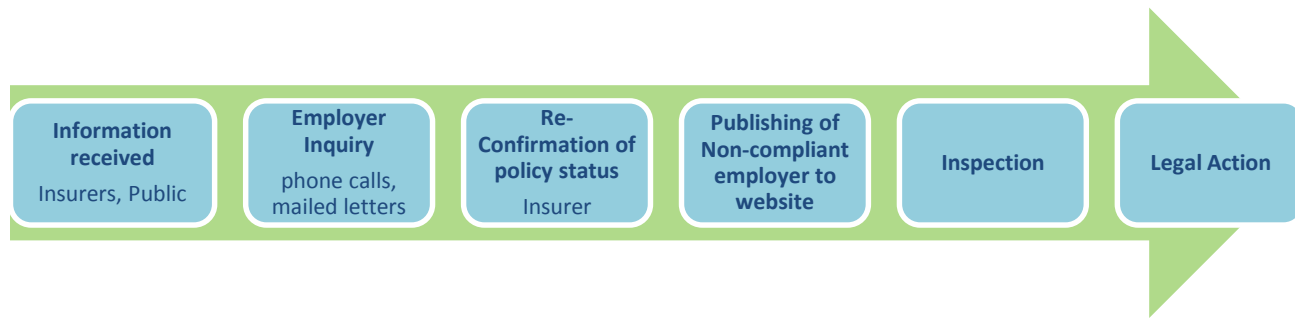
SUMMARY:

- ❖ *1016 employers were investigated representing 3,039 employees*
- ❖ *2 inspections were conducted during the reporting period*
- ❖ *13 non-compliant employers were published on the Council's website (currently 4)*
- ❖ *\$700,348.95 was recovered in premium for the year*
- ❖ *\$215,749.26 was recovered in HID premiums*
- ❖ *No legal action was pursued in criminal court during 2015*
- ❖ *No information was provided by BHB of any persons receiving medical attention without active health insurance coverage throughout the reporting period*

METHODOLOGY:

1. The Health Council monitors employers' compliance with the Health Insurance Act 1970 by investigating queries from the public about 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 insurers for 1st January – 31st December 2015.
3. The Health Council investigates all inquiries 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 – Investigative process



RESULTS:

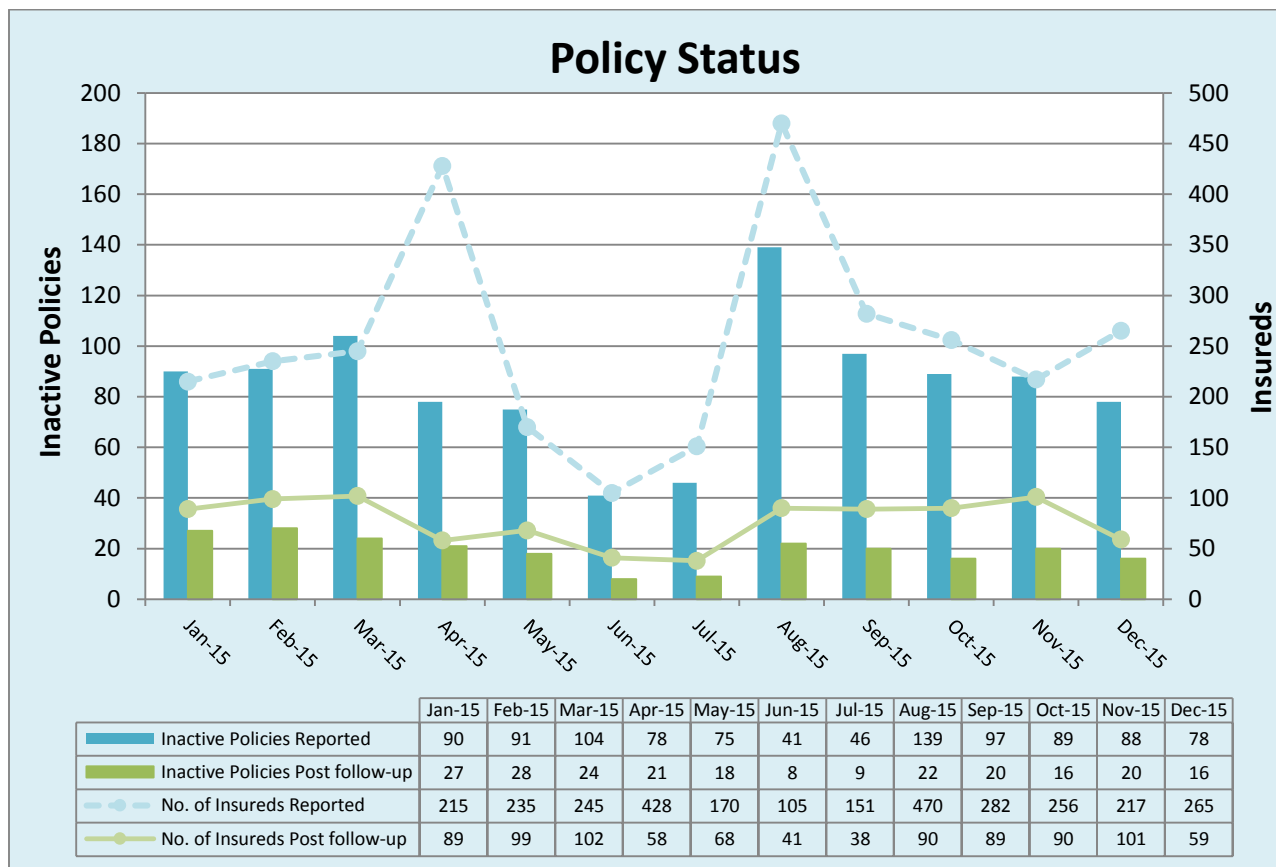
- Per Table 1 below, in the last four months of 2015, the reported number of non-compliant employers steadily declined although the number of uninsured employees was significant. In January 2015 there were a reported 90 employers without health insurance coverage for 215 employees; in December 2015 there were 78 employers without health insurance coverage representing a 13% decrease from the beginning of the year.

Table 1. Summary of Reported Health Insurance Policies

POLICIES		2015											
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Total inactive policies		90	91	104	78	75	41	46	138	97	89	88	78
Total uninsured		215	235	245	428	170	105	151	470	282	256	217	265
ON HOLD	policies	77	73	74	58	53	31	30	90	71	71	56	55
	insureds	197	178	188	366	128	79	89	206	185	204	126	134
TERMINATED	policies	13	18	30	20	22	10	16	48	26	18	32	23
	insureds	18	57	57	62	42	26	62	264	71	34	59	108
NEW	policies	19	27	39	44	41	40	26	15	23	23	21	18
	insureds	115	97	157	241	254	51	292	60	121	80	52	75

- Of the employers investigated during the year for having inactive health insurance policies, **787 (77%)** settled their arrears premiums and re-established their policies. This resulted in **2,115** employees regaining health insurance coverage as per Figure 2.
- As a result, a minimum of **\$700,348.95** was recovered in Standard Health Benefit premium. This figure is based on those reported uninsured employees receiving a minimum of 1 month of health insurance coverage (405 employees x \$301.85 = \$122,249; 1710 x \$338.07= \$578,100).
- Throughout the reporting period, **\$215,749** was recovered alone in health insurance premium to the government Health Insurance Department (HID).

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



8. Web publication of non-complaint employers on the Health Council website was implemented on 3rd June 2015. Throughout the reporting period, 15 employers were named on the website, with 73% (11) of them becoming compliant.

CONCLUSION:

9. Overall, the number of non-compliant employers continues to decline. The introduction of publishing the names of employers has had a positive effect in reducing non-compliance. The public are reporting employees without active health insurance coverage and employers are responsive to the Health Council's investigations.