



**2018/19 SESSION
of the
BERMUDA SENATE
OFFICIAL HANSARD REPORT**

22 May 2019

*Sitting number 13 of the 2018/19 Session
(pages 461–500)*

**Sen. The Hon. Joan E. Dillas-Wright, MBE, JP
President**

Disclaimer: The electronic version of the *Official Hansard Report* is for informational purposes only. The printed version remains the official record.

BERMUDA SENATE**OFFICIAL HANSARD REPORT****22 MAY 2019****10:07 AM***Sitting Number 13 of the 2018/19 Session*

[Sen. the Hon. Joan E. Dillas-Wright, President, presiding]

The President: Good morning, Senators.
The Senate is now in session.
Shall we pray?

PRAYERS

[Prayers read by Sen. the Hon. Joan E. Dillas-Wright, President]

The President: Please be seated.

CONFIRMATION OF MINUTES

[Minutes of 25th and 27th of March 2019]

The President: Item 2, Minutes of the 25th and the 27th of March 2019.

Senator Jardine, you have the floor.

Sen. James S. Jardine: Madam President, I move that the Minutes of the meetings of Monday, the 25th of March 2019, and Wednesday, the 27th of March 2019, be taken as read.

The President: Is there any objection to that motion?
No objection.

Sen. James S. Jardine: Madam President, I move that the Minutes of Monday, the 25th of March 2019, and Wednesday, the 27th of March 2019, be confirmed as correct records of those meetings.

The President: Is there any objection to that motion?
No objection.
The Minutes of the 25th and the 27th of March are confirmed. Thank you, Senator Jardine.

[Motion carried: Minutes of 25th and 27th of March 2019 confirmed.]

MESSAGES

The Clerk: There are no messages, Madam President.

The President: Thank you.

REPORTS OF COMMITTEES

The President: There are none.

ANNOUNCEMENTS**APOLOGIES**

The President: I have an announcement to make. And that is that we have received apologies from the Attorney General, Sen. the Hon. Kathy Lynn Simons, who is also the Government Leader in the Senate; as well as Senator Jason Hayward. They are ill today, and they send their regards and hope you will have a wonderful session here today and enjoy your Bermuda Day.

Further announcements: Government's reforms to do at this time.

Sen. Vance Campbell: Madam President, would you like me to read all of the ones that I have?

The President: Please do.

Sen. Vance Campbell: Whether or not they appear in the same order?

The President: Yes, we can do that.

Sen. Vance Campbell: And then the other Senators can read all of theirs.

Thank you, Madam President.

The President: Yes. Thank you.

GOVERNMENT REFORM STRATEGIC PLAN**LABOUR ADVISORY COMMITTEE (LAC)
SUB-COMMITTEE REPORT: REVIEWING THE
RETIREMENT AGE 2018**

Sen. Vance Campbell: Madam President, I hereby present for the information of the Senate the following reports:

- Government Reform Strategic Plan as produced by the Cabinet Office dated February 2019; and the

- Labour Advisory Committee (LAC) Sub-Committee Report: Reviewing the Retirement Age 2018.

Electronic copies of these reports will be forwarded to Senators, Madam President.

MINISTRY OF FINANCE NOTICES, ORDERS, REGULATIONS

Sen. Vance Campbell: Madam President, I hereby present for the information of the Senate, the following items, all as made by the Minister of Finance under the provisions of the relevant governing Acts:

- The Economic Substance Amendment Regulations 2019;
- The Economic Substance Amendment (No 2) Regulations 2019;
- The Companies and Limited Liability Company (Beneficial Ownership) (Transitional Period Extension) Order 2019;
- The Partnership, Exempted Partnerships and Limited Partnership (Beneficial Ownership) (Transitional Period Extension) Order 2019;
- The Customs Tariff (Approved Businesses) Notice 2019;
- The Customs Tariff (Approved Organisations) Amendment Notice 2019; and
- The Taxes Management (Large Ship Infrastructure Tax Prescribed Forms) Regulations 2019.

ANNUAL REPORT OF THE BERMUDA DEPOSIT INSURANCE CORPORATION 2017

ANNUAL REPORT OF THE BERMUDA PUBLIC ACCOUNTABILITY BOARD 2018

Sen. Vance Campbell: Madam President, I hereby present for the information of the Senate, the following reports:

- Annual Report of the Bermuda Deposit Insurance Corporation for the year ended 31 March 2017; and the
- Annual Report of the Bermuda Public Accountability Board 2018 covering the period from a January 2018 to 30 November 2018.

Thank you, Madam President.

The President: Thank you, Senator Campbell.

And I failed to recognise Senator Richardson as the person who will be taking charge this morning and acting in the Attorney General's stead.

We have other Announcements. Senator Caesar, would you like to do yours at this time?

Sen. Crystal Caesar: Yes, Madam President. And be forewarned that I have quite a list. So, I will continue as the list goes on.

The President: Please do.

2019 TRANSPORT GREEN PAPER

Sen. Crystal Caesar: Thank you.

Madam President, I hereby present for the information of the Senate the 2019 Transport Green Paper, as produced by the Ministry of Tourism and Transport.

Electronic copies of the Green Paper are available online on the parliamentary website.

BERMUDA HOSPITALS BOARD ANNUAL REPORT, FOR YEAR ENDED MARCH 31, 2014

Sen. Crystal Caesar: Also, Madam President, I hereby present for the information of the Senate the Bermuda Hospitals Board Annual Report for the year ended March 31, 2014.

E-copies of the report will be forwarded to Senators for their information.

MERCHANT SHIPPING REGULATIONS

[Various]

Sen. Crystal Caesar: Madam President, I hereby present for the information of the Senate the following sets of draft regulations, all as made by the Minister responsible for Maritime Administration under the provisions of the Merchant Shipping Act 2002:

- The Merchant Shipping (Anti-Fouling Systems) Regulations 2019;
- The Merchant Shipping (Compulsory Insurance of Shipowners for Maritime Claims) Regulations 2019;
- The Merchant Shipping (International Safety Management (ISM) Code) Regulations 2019;
- The Merchant Shipping (Oil Pollution Preparedness, Response and Co-Operation Convention) Regulations 2019;
- The Merchant Shipping (Port State Control) Regulations 2019;
- The Merchant Shipping (Prevention of Air Pollution from Ships) Amendment Regulations 2019;
- The Merchant Shipping (Prevention of Oil Pollution) Amendment Regulations 2019;
- The Merchant Shipping (Prevention of Pollution from Noxious Liquid Substances in Bulk) Regulations 2019;
- The Merchant Shipping (Registration of Ships) Amendment Regulations 2019;
- The Merchant Shipping (Repatriation) Amendment Regulations 2019;
- The Merchant Shipping (Ship-to-Ship Transfers) Regulations 2019;
- The Merchant Shipping (Seafarer's Employment) Amendment Regulations 2019;

- The Merchant Shipping (Survey and Certification) Regulations 2019;
- The Merchant Shipping and Fishing Vessels (Control of Noise at Work) Regulations 2019;
- The Merchant Shipping and Fishing Vessels (Control of Vibration at Work) Regulations 2019;
- The Merchant Shipping and Fishing Vessels (Health and Safety at Work) (Artificial Optical Radiation) Regulations 2019;
- The Merchant Shipping and Fishing Vessels (Health and Safety at Work) (Asbestos) Regulations 2019;
- The Merchant Shipping and Fishing Vessels (Health and Safety at Work) (Biological Agents) Regulations 2019;
- The Merchant Shipping and Fishing Vessels (Health and Safety at Work)(Carcinogens and Mutagens) Regulations 2019;
- The Merchant Shipping and Fishing Vessels (Health and Safety at Work) (Chemical Agents) Regulations 2019;
- The Merchant Shipping and Fishing Vessels (Health and Safety at Work) (Work at Height) Regulations 2019;
- The Merchant Shipping and Fishing Vessels (Lifting Operations and Lifting Equipment) Regulations 2019; and
- The Merchant Shipping and Fishing Vessels (Provision and Use of Work Equipment) Regulations 2019.

Electronic copies of these items will be forwarded to Senators.

MARINE BOARD NOTICES 2019

Sen. Crystal Caesar: Finally, Madam President, I hereby present for the information of Senate, the following draft notices, each as made by the Minister responsible for Marine and Port services under the provisions of the Marine Board Act 1962:

- The Marine Board (Control Over Maritime Traffic) Notice 2019; and
- The Marine Board (Control Over Maritime Traffic) (No. 2) Notice 2019.

Electronic copies as well will be forwarded to Senators.

The President: Thank you, Senator Caesar. You did a good job there with that listing.

NOTICES OF MOTIONS

The President: There are none.

PETITIONS

The President: There are none.

STATEMENTS

The President: There is a statement on the Ministry of Education Updates.
Senator?

The Clerk: That is going to be carried over.

The President: Oh, it is to be carried over. All right. Thank you.

INTRODUCTION OF BILLS

The President: There are none.

FIRST READING OF PUBLIC BILLS

HEALTH INSURANCE AMENDMENT ACT 2019

The President: The following public Bill has been received from the Honourable House of Assembly, and is here read for the first time. Its title is the Health Insurance Amendment 2019.

And Senators, we are advised that this will be taken up under the Orders of the Day.

FIRST READING OF PRIVATE BILLS

The President: There are none.

QUESTION PERIOD

The President: There are none.

Sen. Nicholas Kempe: May I ask a question about the—

The President: About the listing?

Sen. Nicholas Kempe: About the announcements, Madam President.

The President: Yes, you certainly can.

Sen. Nicholas Kempe: I have two questions about the announcements that we just . . . the nature of what was in them.

The President: That is not usual, sorry.

The Clerk: Questions about the Ministerial Statements, but—

The President: But not on the announcements.

Sen. Nicholas Kempe: Okay, fair enough.

The Clerk: Under . . .

The President: So, the Order of the Day, then, is the second reading of the Health Insurance Amendment Act 2019.

Senator Richardson.

Sen. Nicholas Kempe: Madam President.

The President: Yes, Senator.

Sen. Nicholas Kempe: I certainly oppose us moving straight to the second reading.

In the legislative best practice meetings that were held a couple of weeks ago, under the “Recommended [Benchmarks](#) for the CPA Caribbean, Americas, and Atlantic Region [Democratic Legislatures],” in the report given under section 6.23 it states, “There shall be adequate time allowed between the first and second reading stages of Bills as provided in the rules of procedure. Any exceptions must be transparent, narrowly defined, and extraordinary in nature.”

And I struggle to see how this particular movement from first [reading] to second [reading] in the same sitting qualifies under those standards.

The Clerk: The Senator is proposing—

The President: Sorry, Senator Kempe, what are you proposing?

Sen. Nicholas Kempe: I am opposing that we move to—

The Clerk: The second reading?
Okay, there is objection—

The President: Is there any objection to the second reading motion? Is there any objection from the—

The Clerk: There is objection, so we will take a vote on the motion to proceed to second reading, okay?

The President: Yes.

The Clerk: Okay.

The President: So what we are doing . . .
Senator Richardson, you had a—

Sen. Anthony Richardson: I am able to continue. I am ready . . . so let’s proceed . . . I don’t think we have to go through.

The Clerk: Well, right now we are taking a vote on his motion—

The President: We are taking a vote on his motion, the motion to proceed—

The Clerk: —to proceed to the second reading. So, we will vote on that.

The President: —to see whether or not it carries.

The Clerk: If the motion is defeated, then we will proceed with the second reading. Okay?

Sen. Anthony Richardson: Yes, we can get some ...

The Clerk: All right. We will go on that now.
Senator Kempe, this is on the motion—

The President: On his motion—

The Clerk: Senator Kempe’s motion—

The President: —not to proceed.

Sen. Nicholas Kempe: Not to proceed?

The President: Mm-hmm.

The Clerk: Not to proceed.

Sen. Nicholas Kempe: Yes, I support that motion.

DIVISION

[Motion opposing second reading of Health Insurance Amendment Act 2019]

Ayes: 4

Sen. Nicholas Kempe
Sen. Marcus Jones
Sen. Dwayne Robinson
Sen. James S. Jardine

Nays: 5

Sen. Anthony Richardson
Sen. Crystal Caesar
Sen. Vance Campbell
Sen. Michelle Simmons
Sen. the Hon. J. E. Dillas-Wright

Absent: 2

Sen. the Hon. K. L. Simmons
Sen. Jason Hayward

The Clerk: So the motion is defeated by six votes to four . . . no, no, that would be five votes to four, sorry. So the motion is defeated, and we can proceed with the second reading.

[Motion to oppose the second reading of the Health Insurance Amendment Act 2019 was defeated by a majority on division.]

STANDING ORDER 25

Sen. Anthony Richardson: Good morning, Madam President, fellow Senators and members of the listening audience.

I am pleased, first of all, to request, Madam President, that the provisions of Standing Order 25 be granted so that the Senate may now proceed with the

second reading of the public Bill entitled the Health Insurance Amendment Act 2019.

The President: Is there any objection to that motion?
Carry on, Senator Richardson.

[Motion carried: Leave granted for the Health Insurance Amendment Act 2019 to be read a second time on the same day as its first reading.]

Sen. Anthony Richardson: Thank you.

BILL

SECOND READING

HEALTH INSURANCE AMENDMENT ACT 2019

Sen. Anthony Richardson: Madam President, for the sake of complete clarity, I am going to advise that in my professional capacity I do provide various consultations, but I do not have any direct interest in any health care provider or any health insurance company. So I do not have a conflict in what I am about to do.

And, for members of the listening audience, I just want to say before I start that what we are doing today is moving forward with the Government action to avoid an estimated \$20 million increase in overall health care costs and the consequent increase to us individually in terms of our health care [insurance] premium. Clearly, there will be disagreements in terms of comments from Members around the table, but I do not believe there is any disagreement in the general sense that Bermuda must now act to reduce our general level of sickness, and also to reduce the cost of health care in Bermuda.

And, as you said, Madam President, I am presenting on behalf of the Junior Minister, Senator Hayward. And I certainly want to acknowledge the work of Minister Kim Wilson, who has done a tremendous amount of the work to ensure that there is clarity in terms of what is being done with this amendment, and also members of the general business community who have assisted to ensure, in my personal case, that I understand what the challenges are, what their comments are, and the significant of their comments, in terms of that.

So, with those comments, Madam President, I will now give my formal comments on behalf of the Minister.

The President: Carry on, Senator Richardson.

Sen. Anthony Richardson: Thank you.

Madam President, I bring to the Senate today the Bill entitled, The [Health Insurance Amendment Act 2019](#).

Madam President, the purpose of this Bill is to streamline the way Bermuda funds its only hospital in order to control health care costs and make the necessary amendments to effect this through updates to the Standard Premium Rate and the Mutual Re-insurance Fund. However, before getting into the substance of the Bill, I would like to pause to invite the Senate and the public to reflect for a moment.

Madam President, some members of the public and the Opposition may be asking, *Is access to health care a privilege or a right?* Health care in many countries is considered a basic human right. Article 25 of the United Nations Universal Declaration of Human Rights provides that “everyone has the right to a standard of living adequate for the health and wellbeing of himself and his family, including food, clothing, housing and medical care”

The World Health Organization's Constitution preamble provides that “the enjoyment of the highest attainable standard of health to be one of the fundamental rights of every human being.”

Bermuda should join the rest of the developed world and take steps to deliver quality and affordable health care for all. We can no longer accept a system which distributes health care unevenly on factors other than necessity.

A community that permits some persons to have greater access to care than others creates inequality and a two-tier system. In such a system, we will inevitably see persons who fail to receive the care that they desperately need. If persons are unable to access care early, they could end up consuming a larger portion of our health care resources. So, again, Madam President, health care is a human right to which all members of our society are entitled to.

Now, Madam President, some members of the public and the Opposition may be asking, *Why now?* For years we have had conversations about health care and health costs around dinner tables, at sports clubs and under the tents at Cup Match. We have talked about which family member or which friend had what experience with what doctor or what nurse or what physiotherapist. We have talked about the amounts of the bills and the increases in premiums, the receipts and the co-pays, the stories and the subtleties, the comparisons and the controversies. We have talked about the emergencies and the not-so-emergencies, the urgent care and the nurse whose name we could not remember, but whose kindness we could never forget. We have had this conversation before in the House, in the Senate and also in our various caucuses and with our Opposition, and it has all brought us to this moment, Madam President.

Our discussion about health care here in Bermuda, as we have been recently engaged, is not just a conversation about corporate profits and hospital funds. It is, however, about coming to look in the mirror as a country, about who we are. It is coming to grips about where we have fallen short and what we

can highlight that we really do well. The truth is that we do a lot in health care extremely well, and we have qualified professionals who are highly skilled and who are passionate about their current patients and those they may serve in the future. It is in this reflection, Madam President, that I come to address this very important issue.

So, where are we? Our current spending on health care in Bermuda is over \$720 million, but we are not living as long as we should. We are knee-deep in chronic illness and waist-high in health risk. We are eating more than we should and exercising less than we should. We are treating more and not preventing enough, i.e., a complete switch now; let's move more towards preventative care. We are spending almost \$2 million per day on trying to keep healthy people in healthy communities. Some of that money is being spent wisely, and some of it could be spent a whole lot better. It is for the latter that we are building our work around health financing reform. Yes, Madam President, we are reforming our health system.

We are changing the way in which those dollars come from your pay cheques and taxi fares, and construction salaries and corporate offices and hotel rooms, and how they end up being spent on your health in order to make your ability to contribute to Bermuda stronger. We are taking what we have been talking about for decades and putting those energies into real action. We are, in real and significant ways, changing how we do business here in Bermuda, for health.

So, again, Madam President, why now? I can go on and list the reasons why a stronger Bermuda in the face of a rapidly changing and technology-driven world, where blockchain and global economies, genetic breakthroughs and transportation strategies for our international tourism need a much healthier population to drive business. I can talk about how we need to reduce our cost of doing business by lowering the cost of health insurance to attract more international companies to the Island. I can even talk about how we can compete better in sports and education if we were healthier.

And while those things are all true, maybe this conversation is more straightforward than that. Maybe the reality is that this is our moment as a country to seize an opportunity to do something better, not for business reasons, but for people reasons. This is an opportunity to really put Bermuda and its people first.

Madam President, let me lay out what is happening and what this initiative of reform is all about. We are putting in health care and financing reforms to improve our health system for the sake of our economy and each of our families. We are starting with the way that we pay for the hospital. We are giving our hospital a fair budget so that they can deliver the care they need to the public. As a return for that budget, we are also holding our hospital more accountable for

how much care they need to deliver and the quality and patient care they provide.

As a return for the funding, we are asking for better reporting and better negotiation of costs, better reviews of utilisation and better partnerships with our community doctors and nurses. We are also looking for better efficiencies and better health outcomes and demanding the best from our hospital, and they are taking the progressive and responsible steps to achieve under those demands.

The budget is being paid for through a fund that all able-bodied residents already contribute to. And this has been established, as we all know, from some time ago. Whether you use the health system or not, we are asking for a base level of social . . . towards health for all.

Not every person has the ability to contribute to that goal equally. Some within our midst must bear the cost more than others. Some in their 30s and 40s will have to pay for someone in their 80s and 90s. Some workers will have to help in support of those seeking employment. And, Madam President, you will be aware that sometimes that is the public argument. *I pay from age under 20 to age, say 49, and never need health care; why am I paying?* And the reality is that we are paying for the others that in the system that would need to access health care more than they have actually paid in.

So, some costs will have to shift, and some caps will have to be put in place to control those costs. Some smaller businesses may need more support. Some families will have to sacrifice additional funds to assist those who are in more challenging circumstances. We will have to share responsibility now so that the future costs of future responsibilities can be less. We will have to share the costs of investing more in prevention . . . about how we make this social contract of shared responsibility a fair proposition. How providers, payers, politicians, regulators, researchers and religious bodies can use their unique skill areas to put forth and implement timely solutions in a proactive and non-reactionary way.

As the carefully considered and evidence-based changes are being made, we are at the same time asking our health insurance companies to conduct business differently. We are looking for each of those companies to use more of the money that you are paying into health insurance premiums to pay for your health. At the same time, we are looking for our health professionals to look for cost savings within their businesses and between colleagues so that we can move forward with fairer pricing.

Madam President, that is what I was referring to earlier as part of the process of understanding the reform. It is to understand the reality that the standard hospital premium process, or the standard health premium process, actually cross-subsidises the other health benefits that we achieve. And for me, that was a revelation in this whole process.

Madam President, this is a change in how things have always been. This is a change in the status quo, and we understand that these conversations have not always been easy to be involved in. Yes, we are demanding to put the health of people as a higher priority to the health of profits. But this is not the opening and closing of the conversation. Our teams are working on a number of other initiatives in collaboration with the different members in health care. We are working on making the Standard Health Benefits a better set of services for you, we are working on ways to better measure quality in services, and we are working on updating our strategies and innovating our care. We are working on prescription drugs, mental health and maternity care. We are working on educating our youth and putting them in health careers to fill the gaps. And we are working on bringing more care home to Bermuda while preserving smart choice.

And I believe in the community we have seen that more and more now, whereby in the past, we have gone overseas for so much health care. And it can now be done locally, mostly because providers, including the Hospitals Board, now have doctors coming in on a regular basis to perform specialist services in a more cost-efficient manner.

So, we are also working on communicating with you, the public, on all the steps we are taking to create a better system for you, your parents and your children. So, again, Madam President, the question is asked, *Why now?* The answer? This is the moment that we can do what we can. We can rise to the occasion to put partisan arguments to the side and find common understanding of what we need. And I refer again to my opening comments in terms of, I believe there is general agreement that Bermuda must now work to reduce our level of generic sickness and the continuing rising costs in health care. There is disagreement as to how we do that, but that fundamental agreement I do believe exists.

We can listen to our seniors and give them some financial relief. We can start to stop the abuse within our system, in many cases the overutilisation. We can buy better, smarter and at lower health prices. We can set an example to the next generation of how better health is a tool for better living—i.e., prevention. We can empower our communities and ourselves to eat better and laugh harder. Interestingly, Madam President, I had lunch yesterday and I actually asked for a smaller portion. And the person serving me said, *Why?* And I said, *No, I'm serious. I don't want to have this huge portion because there is a psychological piece there. If you get it, you're going to eat it all.* But I did not want to be super full. I wanted enough to just keep me going. So, it is a conversation we have to have sometimes in terms of portion size and portion control. And then, yes, you can laugh harder as a consequence.

We can embrace our challenges of mental health and give those affected their needed treatment.

We can manage those chronic illnesses—diabetes, cancer and heart disease—and find ways to stop the devastating effects of stroke, which we have seen some other initiatives by the Hospitals Board now to better manage strokes on Island. We can reduce our road traffic accidents, broken bones and traumatic brain injuries. We can make health care more affordable for all and make sure that health care is available for all.

As Bermudians, we have always sought to be the best, and we should always want to change and adjust for the better. So, Madam President, we can change now. We can, and we will because if not now, when?

So, again, Madam President, in this context, I would like us all to consider the Bill and its aims. The purpose of this Bill is to streamline the way Bermuda funds its only hospital in order to control health costs, and make the necessary amendments to effect this through updates to the Standard Premium Rate and the Mutual Re-insurance Fund.

Madam President, you will be aware that, previously, I was on the Bermuda Hospitals Board when you were the CEO. And we developed the reality that the hospital has to be preserved to provide care. Because, irrespective of your personal level of wealth, [the hospital] is a stop in the event of an emergency. And even if there was a medevac plane on the tarmac at the airport and you had a significant medical event, you cannot go from that medical event to the airplane. You have to go via the hospital. And so, I was happy to see that there is the continued recognition that the hospital must be preserved to provide the 24/7, 365-days-a-year health care for each of us.

The Standard Premium Rate (or SPR) is the premium for Bermuda's basic, mandated package of insurance, the Standard Health Benefit (or SHB). The premium is set annually following an actuarial review facilitated via the Bermuda Health Council.

Madam President, as this Honourable House is aware, the Standard Health Benefit is the basic insurance package that all employers must provide to their employees and their employees' non-employed spouses, and they pay a minimum of 50 per cent of its premium. That also, Madam President, bears emphasis, because I am aware that there are some employers who are actually not contributing 50 per cent of the cost of the health premium. And so, employers need to know that that is the minimum that they have to contribute. And so, as an employer, you might pay 100 per cent of the health insurance premium, but you cannot pay zero. You must be able to pay at least 50 per cent.

So, by law, Madam President, all health insurers must include this package, this basic package, in any insurance policy. The package is regulated, as are its fees and premium. And I think we all . . . well, many of us are aware that there is a process by which

the benefits themselves are determined. And then, they are actuarially priced, and then that forms the overall component of the premium. In addition, government subsidises the cost towards the Standard Health Benefit coverage for children, indigent persons and seniors. The premium for the mandated package is called the Standard Premium Rate [SPR]. It comprises the Standard Health Benefit component and the Mutual Re-insurance Fund [MRF] component, which I will explain in a few minutes.

The Standard Health Benefit covers most local hospital-based care (both inpatient and outpatient services), select diagnostic imaging in and out of the hospital (for example, mammograms) and select medical home care benefits (for example, IV infusions). The MRF is a pooled fund into which all insurers currently pay a prescribed premium to cover all insured persons' kidney transplants and dialysis, and to provide transfers to specific health programmes. Again, Madam President, you will be aware that in the past the inability to fund kidney transplants caused adverse health complications for certain individuals. And so, now it has been amended to provide a bigger benefit to those who are in need.

Madam President, following actuarial consideration of the volume of services used in the past year, and historically, as well as projections for future use of the SHB and MRF benefits, the Ministry of Health learned that an \$84 standard premium increase would be needed to sustain the current level of coverage. This was due to utilisation increases, fee levels and unequal risk pooling. And that, Madam President, goes back to what I said earlier. The action that has been taken with this Bill is to avoid that \$84 increase that would have otherwise been required based upon the actuarial assessment. This would have resulted in the standard premium increasing by 23.6 per cent, from \$355.31 a month to \$439.32 a month. Such a change would have been untenable for the public and for the employers, so it was unacceptable to the Government. And we know how that works, as an employee, for sure.

Madam President, everyone paying for health care knows all too well that year-on-year increases cause hardship on individuals, families, businesses and the community. The Government could not sit by and allow this to happen. Actions commensurate to the problem had to be taken, and the Government has acted. It is well known that the primary step taken to prevent the premium increase was to streamline the way we fund the Bermuda Hospitals Board. While this has not been universally popular, I know it was the only way that the premium escalation could have been averted. And again, as I said earlier, I believe that we all understand the need to reduce health care costs overall. There may not be full agreement as to how, but this is what we are doing.

Madam President, the Bermuda Hospitals Board represents over 95 per cent of claims against

the standard premium across the system. Again, that means that most of the claims that are paid under the SHB programme are going to the hospital, which receives 95 per cent. So, if we retained the status quo, the claims would have exceeded the premium significantly. So, our choices were to increase the premium, reduce BHB's fees dramatically, or change the way that BHB is funded. Now, I do believe, Madam President, that time does not really permit me to explain this even more. But what we are saying [here] is that in the absence of making this change and then not increasing premiums, the total programme would have been underfunded significantly. The Government chose the latter.

The option to reduce BHB's fees was considered seriously. But it is not a viable solution, as it would not solve the larger, systemic problem, [which is] that fee-for-service makes cost containment impossible. Further, such a change could not be implemented fast enough for the Standard Premium Rate to suffice. Rather, the Government took the decision that to get a different result we have to do things differently, and accepted that a fundamental change to the overall funding of the hospital was necessary and timely.

Madam President, I want to pause and remind the Senate that this is not the first step in streamlining the hospital's funding with a fixed-budget model. In 2017, when the then Government decided to reduce the hospital's subsidy budget by \$25 million, it amended the legislation to change the subsidy from a fee-for-service model to a block grant. While the \$25 million grant was a one-time reduction and the subsidy budget was restored to \$108 million in 2018, the elimination of fee-for-service created significant efficiencies for both the Hospitals Board and the Health Insurance Department without hampering utilisation monitoring and collaboration.

Madam President, for emphasis, we are moving away from the idea whereby the hospital will be paid based upon the actual services they provide, as opposed to, here is a total amount of money, and you operate within that. And then, they will manage accordingly.

So, Madam President, I want to stress that funding the hospital in more efficient ways is not new and has been used successfully in recent history. We expect a similar outcome from the change that is now being proposed. Ultimately, what we all want is for the hospital to be properly resourced and funded to deliver the quality care that we all want and deserve. And of that I can give complete assurance.

Madam President, the \$330 million revenue target was derived on the basis of extensive discussions with BHB and a review of their financial needs and position. And the figure was concluded on the basis that it is a realistic funding level that will enable the hospital to operate and deliver quality care. Again, Madam President, for emphasis, it was interesting for

me to note that the funding number was not pulled out of a hat, but instead determined in conjunction with the Bermuda Hospitals Board, who would ultimately be the ones who have to manage within that. And so, it is important, I think to emphasise that.

In addition, Madam President, I have to remind us all that the very origin and spirit of the Health Insurance Act 1970, which established the structure of our health financing, is that the Standard Health Premium is community rated. This seems to have been forgotten by some. However, anyone who has the responsibility of the Minister of Health is all too aware of this fact and its fundamental rationale: The point is to distribute risk evenly throughout the community. The change we are making ensures that this happens as intended.

And I know, again, Madam President, there have been some comments in terms of the loss ratios within the Standard Health Benefit programme for the private insurers versus the public insurers, which would include GEHI and some of the government programmes. And that is why I was saying earlier that, as part of this process, it helped me to understand that there is actually a cross-subsidy, if you will, of these programmes. And [for me] to also understand that the public programmes, actually almost by default, have a sicker population than the private programmes do, because, of course, when you turn 65, you generally cannot get private health insurance and all those things. And so, it does make financial sense to see how the numbers are actually distributed.

Madam President, the Bill brings amendments to effect this important, necessary and beneficial change. In particular, the Bill:

- requires a licensed insurer, or employer who operates an approved scheme, to pay the Mutual Re-insurance Fund premium into the MRF within 30 days of the start of the month or week (as the case may be) covered by the payment;
- provides that a prescribed transfer from the MRF to the Bermuda Hospitals Board is to be used to fund all standard health benefits received by insured persons where it is provided by the BHB (so, the MRF will now fund all of the treatments that those persons [receive]);
- provides for an insurer, or employer who operates an approved scheme, to not be liable to pay the Standard Health Benefit claims from BHB if they have paid the MRF premium for an insured person, which makes sense.

And so, if I have collected the premium and paid it already through the Mutual Re-insurance Fund, my liability has stopped. You cannot then come back to me and, *Anthony, now, pay the claim*, because I have already paid the payment to the MRF.

- provides for an insurer, or employer who operates an approved scheme, that has not paid the MRF premium for an insured person to be

liable for the Standard Health Benefit claims from Bermuda Hospitals Board in respect of the insured person (again, in my mind, that is practical);

- makes all dialysis claims payable by the Mutual Re-insurance Fund;
- provides for the hospital to bill for all non-Standard Health Benefit services;
- increases the proportion of the Standard Premium Rate that is ceded—

Sen. Nicholas Kempe: Point of order, Madam President.

The President: Senator Kempe, your point of order?

POINT OF ORDER

[Misleading]

Sen. Nicholas Kempe: I am not sure if the Member is inadvertently misleading the House, but he stated that all dialysis claims will be paid out of the MRF. [Is] my understanding [correct] that the \$25 or so is left to the private insurance companies to cover non-hospital benefits, which includes dialysis? Just for my clarity. That was my understanding.

Sen. Anthony Richardson: If I may, Senator Kempe and also Madam President, defer. That would be a question. And once I finish the brief, the officers then can clarify that.

The President: Yes, fine. You can keep your questions to the end, please. Thank you.

Sen. Anthony Richardson: But that is the note, that all dialysis claims [are] payable by the MRF.

- provides for the hospital to bill for all non-Standard Health Benefit services;
- increases the proportion of the Standard Premium Rate that is ceded as the MRF premium from \$101.97 to \$331.97 and adjusts relevant transfers.

And this, Madam President, if I may, is what was certainly significantly discussed in the public arena, the significant increase in the amount that goes to the Mutual Re-insurance Fund. Also, it increases the MRF transfer to the Hospitals Board from \$13.16 to \$231.33 in order to fund hospital care of insured persons. And that, I believe, is the crux of it all, is that the change in the way that the funds are selected as premiums are then eventually transferred across the Hospitals Board.

- updates the definition of “the general hospital” to clarify that this means only a hospital facility operated by the Bermuda Hospitals Board; and

- clarifies the definition of inpatient and outpatient hospital services for the purposes of Standard Health Benefit coverage.

That is a lot, Madam President. Madam President, to effect these changes, the Bill amends the Health Insurance Act 1970, the Bermuda Hospitals Board Act 1970, the Bermuda Hospitals Board (Hospital Fees) Regulations 2018, the Health Insurance (Standard Health Benefit) Regulations 1971, the Health Insurance (Mutual Re-Insurance Fund) (Prescribed Sum) Order 2014, the Health Insurance (Maternity Benefit) Regulations 1971, and the Health Insurance (Mental Illness, Alcohol and Drug Abuse) Regulations 1973.

Madam President, I do anticipate questions. And so, what I would propose to do is to end the brief at this stage to allow for the questions. And, of course, I do beg your indulgence in terms of the process by which questions are asked and then we [will be] able to [provide] the responses so that the public are appropriately informed. Thank you, Madam President.

ANNOUNCEMENT BY PRESIDENT

SENATE VISITOR

The President: Thank you, Senator Richardson.

Before I open the floor to other Senators to speak on this Bill, I would just like to acknowledge the presence of the Permanent Secretary of Health, Dr. Jennifer Attride-Stirling; as well as Mr. Brian Eaton, Parliamentary Counsel; and Dr. Ricky Brathwaite, the acting CEO of the Health Council.

Welcome to all three of you.

[Health Insurance Amendment Act 2019, second reading debate, continuing]

The President: Would any Senator care to speak on this Bill?

Senator Jones, you have the floor.

Sen. Marcus Jones: Thank you, and good morning, Madam President.

The President: Good morning.

Sen. Marcus Jones: Good morning to my fellow Senators, also, a hearty good morning to the listening public.

Allow me to preface my presentation and my questions and observations of this Health Insurance Amendment 2019 Bill that has been presented this morning. At the early part of this month, in May, May 1st and 2nd, we as Parliamentarians, both in this Chamber and in the House, had the privilege of being a part of a Parliamentary Strengthening Seminar Workshop. It was very interesting. It was very well attended. And I believe that kudos and congratula-

tions are to be extended to the Speaker of the House and to Madam President here with us today for the way that it was conducted and the inspiration and education that we received.

One of the speakers who was there happened to be the Honourable Shirley Osborne, who is the Speaker of the Legislature there in Montserrat. Her presentation was very good. And one of the things that got my attention was in her jurisdiction, the size of her legislature is 11. Nine are Government Members of Parliament, and two are from the Opposition. And one of the points that she raised, which I thought was very important, was the need for there to be collaboration, the need for those who are sitting in the minority of the House to get equal time and opportunity to be able to present their arguments, to present their part of the debate, to be a part of even the agreement to plan out the calendar year for the presenting of Bills.

And in her discourse, she conveyed a story about how she had to hold back on the government's push to proceed with a Bill to the first and second readings. And prior to the presentation by the Government Senator this morning, my colleague just read out the ¹Legislative procedure that is practiced about presenting first and second readings to a Bill, and the operative words there are "for any exceptions, there must be transparent, narrowly defined and extraordinary in nature."

And I believe, in the spirit of collaboration and in the spirit of a democracy where we are doing the people's business, and sufficient time must be allowed and allocated, for us as legislators to do the people's business, the comments that she made, which engendered and encouraged cooperation between both aisles of parliament, struck a chord with me. In those two days of workshops, we engaged in breaking bread and singing *Kumbaya* and all of the wonderful social gatherings that we experienced. And there was generally a healthy vibe there. And I believe that we all left there very optimistic that some of the practices that have been exercised in the past that actually worked to divide us would be at least attempted to be overcome.

But I do not believe that the airplane that landed and transported the Honourable Speaker to her home country in Montserrat had barely touched the tarmac of the airport, when quite quickly we find that we as a legislature were right back to how we have done in the past.

And just for the public's information, we on this side of the Senate are not entirely pleased with the speed and the reckless abandon that the Government has presented this Bill. And it should be noted that I believe in the coming months and years as we sit around this table that there should be a certain

¹ [Recommended Benchmarks for the CPA Caribbean, Americas, and Atlantic Region Democratic Legislatures](#), 6.2.3

level of courtesy that is afforded the Opposition, who are sitting in the minority, to be given sufficient time to prepare such an important Bill, such an important change to our health care system which requires enough time for us who are debating it, who are considering different aspects of this Bill, to be able to reach out to those stakeholders within the community who can add to the information that we require, to be able to fairly and equitably debate this Bill.

Now, having said that and stepping off of my soapbox, I will proceed, Madam President.

The President: Carry on, Senator Jones.

Sen. Marcus Jones: If you allow me, Madam President, I just want to just read from the opening of this Bill, its purpose. And I am reading, Madam President: “to provide for a new method of funding hospital treatment provided by the Bermuda Hospitals Board in respect of standard health benefit . . .” That is the purpose of this Bill that we are debating here today.

I also would like to bring the public into remembrance of a statement made during the Government’s Throne Speech last November 2018. And may I again quote from the Throne Speech, Madam President?

The President: You may, Senator Jones.

Sen. Marcus Jones: “The Government will change the way we pay for health care and make it more affordable by expanding access to coverage at better rates . . .

“Therefore, upon conclusion of the necessary consultation, the Ministry of Health will advance a national health plan . . .”

Now, from that statement and from the entire Throne Speech that we as Parliamentarians and the greater public hear from the Government, it is the Government’s agenda for that particular year. And we pay close attention to what the Government has laid out for its Legislative agenda for that year. And so, from that statement made from the Throne Speech of last November 2018, there are two phrases that get my attention. And I think it is pertinent to this particular amendment Bill that we are debating here today. And that is, “more affordable” and “ample, necessary consultation” in regard to a health care plan.

I humbly submit to my fellow colleagues here today and the greater public audience that those two elements of the Government’s aspirations were not met in this particular Bill.

Now, as we listened to the Government Senator Richardson spell out this Bill, for the listening public it may have sounded very complex, very integrated, very . . . almost tedious, because there are lots of nuts and bolts to this legislation that we as legislators have to pay attention to. But I believe, from the perspective of the public, for any change of any insurance plan, I

would submit to you, Madam President, that their concerns are, *Are my premiums going to go up? Do I still have access to the services that I always had? Do I have choices?* Amongst a myriad of questions, I believe the listening audience and the public at large would break it down to those three major questions.

And as I was reading over this particular Bill and trying to break it down, because I think there is a certain amount of expertise to be able to communicate a Bill or any concept like this, take it from the complex and sort of break it down so it is comprehensible and understandable to the layman, I was thinking of this: Let us say that my wife and I want to lower the cost of our budget for a year. And let us say that as the husband, I am responsible for certain payments like the mortgage and probably the car payments and other things around the house. And let us say my wife is responsible for the health care costs, for the children and for other day-care costs. So, as a family unit, we have our budget of expenses. The father has his responsibility of payments. The wife has hers, as well.

Now, let us take this health care situation. And let us say that in an attempt to lower the costs, and for this particular illustration, I explain to my wife, *I tell you what. In addition to the expenses of the household that I have taken on, I’m going to take away from you the cost of the children and the rest of our family’s health care. So, all the GEHI premiums that we have to pay for, I’ll take them on.* But that does not reduce the payment of health care, in this case, the Jones family. It just shifts the funding from the wife to the husband.

And in essence, to make the complex simple, this particular Bill does not embark on the aspirational goal of reducing health care costs. It simply shifts the funding of this particular plan from the hands . . . funding to the Government’s pool from this limited capital, \$330 million. And I think it is important to put that marker down, not to say that the Government does not have that as its overall goal, to reduce the cost of health care. But this Bill does not do that.

I am also concerned because I quickly asked the question, What is the Government’s end game in this particular move to [make] this amendment to the Health Insurance Bill of 1970? And I have heard bits and pieces, the Minister’s Statement, the statements we have heard today. And clearly, the Government’s long-term plan is to have universal health care. And I would say that that is a lofty aspiration for a country of this size. It is aspirational, and it is noble. And I believe it is safe to say that the majority of parliamentarians, legislators, if you walk down the North, East, South, and West of this country, most people would agree that we need a system in place that is going to make sure that everyone, those who cannot afford it and those who are vulnerable, can be able to have health care.

I believe where you will find that we will differ on this side of the aisle, which is in most big-ticket

items that we discuss as parliamentarians, is, *How do we get there?*

Now, the Government would suggest to you that this is the first step in creating a situation and an environment where health care is available for all. But my concern is that I would have felt far more comfortable, and I believe that stakeholders within the community, Madam President, would have felt far more comfortable, as well, to see and hear a plan from point A to point Z, this being the first step. *These are our aspirations to get us to universal health care.* We do not see that. We do not hear that.

We know that the aspirations are there, but the blueprint of how to get there is not, first of all, identified in this Bill, in its presentation, or in aspirations for the future. It is like me, Madam President. If I was an architect or a contractor and you came to me and you said, *Mr. Jones, I'd like for you to build a house for me. And this is what I would like to have. I would like to have a nice home. I'd like to have a spacious home. I'd like it to be overlooking the water,* all these beautiful things. And I turned around, and I said to you, *Okay. Very good. I will just start to build the foundation.* I have given you no drawings of how and what the house is going to look like. *But we will build it, and we will design it as we go. But we're going to establish a foundation. And we will make it work however it works out.*

So, I use those two illustrations to hammer home the point that the precise blueprint of how this country is going to go from point A to point Z, although the Government is suggesting that this is a first step, has not been made clear to the public. And from what we are hearing on the streets, what we are hearing from those who support the OBA, what I am hearing from those who support the PLP Government is a little bit of concern. And from those friends of mine whom I socialise with within the IB [international business] community, they have concerns, as well.

So, I think it is important, and that is why we are belabouring the point, the need for there to have been at least a pause and time for even added consultation to make sure that all of the stakeholders, although they may not be agreeing on everything, there could be some level of comfort that sufficient consultation had been done.

Now, when we talk about more affordability, we compare service providers and private insurers. One of the things that I would like to have seen and heard from this Government, in addition to bringing this amendment to the House and then consequently here to the Senate, was how they are going to tackle and target the service providers, because that is where the health costs really hit the Bermudian public very hard.

Let us just consider a few numbers. We now know that health care in Bermuda has an expenditure of about \$723 million annually. That is a large sum of money. We also understand that health care in Ber-

muda represents 11.5 per cent of our GDP. We also understand that since 2006 up to today, to 2017, the health care expenditure has blossomed and blown up, from I would say was a workable \$420-or-so million in 2006 to an astronomical amount of \$723 million in our last year, or 2017. That represents about a 70 per cent increase in health care costs. Actuarial reports suggest to us that that bill, or that cost, that line item, is going to increase somewhere around 6.5 per cent on an annual basis.

So, it is a large part of the expenditure in this community. And as a country, we are faced with an ageing population. We now know that at this point, one in four of our residents is over the age of 65, and that by 2026, that number is going to be astronomically higher, [those] over the age of 65. So, we definitely need to get a grip on not only how we sort of rearrange the allocation of funding of health care in Bermuda, but we have also got to target that challenge of getting the prices down.

Now, when we look at how the Government is taking more and more of the lion's share of health care, at least the SHB, the hospital benefits, the basic hospital benefits, we have to question, How much of that pie will the Government takeover, knowing that the loss experience of the public system's share in Bermuda compared to the private sector is fairly high. We understand that the loss ratio in 2017 for the Government was 148 per cent. That means for every dollar of premiums that the Government received, \$1.48 was paid out in claims. We know in the same experience year, the private sector's loss ratio was 89 per cent. So, for every \$1.00 premium that was received from the private sector, \$0.89 was paid out in claims.

And so, for the listening public, who are only concerned about, *I don't want my premiums to go up, and I want the same services,* for us as legislators, we are dialling in and looking a bit more closely at how the cost of health care is going to be handled. And we do have concern when we see the Government, as it were, is taking more and more of the responsibility of the hospital costs.

Now, I could be wrong. But I am thinking here on my feet to see, was there a previous administration that actually attempted to tackle service providers, this present Government or the former one? And I believe that experience tells us that under their stewardship the former OBA Government tried their best through the Bermuda Health Council to rein in, for example, the costs of diagnostic imaging. And we know the brouhaha that was generated when those providers cried foul when those prices were lowered. And we know, it is all public knowledge, that one service provider of diagnostic imaging was actually reimbursed for what we would say was a shortfall in his revenue for the services that he provided.

Now, we also know that in tandem with that reimbursement the Bermuda Hospitals Board was also reimbursed. But it begs the question: Why did

this present Government actually reimburse the hospital if, at this point, we know that there were \$65 million sitting in reserves to cover for shortfalls? Now, if that \$65 million was known and was revealed, it makes me want to question why that was done. Was it done so that it would appear to be equitable? Not only was a private service provider of this diagnostic imaging reimbursed [but] the hospital was as well. Are we bending to certain people within the private sector if they cry the loudest?

So, it makes the public ask the question, How can we ensure that those within the private sector who provide these services are actually scrutinised to the highest level possible? And are we genuine in tackling this health care cost, Madam President?

We also considered the block grant. We now know that there is going to be a shift. No longer will there be fees for service. This block grant, which will be \$330 million annually, according to the Government's statements, will represent a \$20 million savings. What I would like to know is, what does that \$20 million savings represent? Because we surely know that this \$20 million does not represent savings in administrative costs, because there will not be that extra line of process which requires claims to be processed. Because there is going to be a block grant, we know that there is no longer going to be such a need for such administrative support for being able to recover payments, because you have got a block grant.

So, I would like to know, and I believe the public would like to know, specifically what does that \$20 million savings, which is the difference between what the actuaries calculate it would cost, \$350 million to fund the hospital to be able to do its job to provide service, compared to the number that they came up with, which was \$330 million? I believe that will be good to know.

Because I would want to ask the question, Does that \$20 million savings represent services that may be denied or held back or limited? Because we know that with this \$330 million grant the hospital is going to have its feet to the fire to have to live within that budget. So, I would be curious to know.

Now, with that cap of \$330 million, another question would be . . . There will be some years . . . and we know, because the industry and the cost of health care is growing at a rate of 6.5 per cent every year, in the coming years that \$330 million is going to be used up. We know that the \$65 million reserves are going to be used up eventually. How will that be worked out, as well?

Now, another thing that we have heard in the public as well, and I know the Government does not want this change in the model for premium payments to be sort of redefined as taxation, but it is hard to see this being anything else but another way of saying *taxation*. Although the price tag will not change, \$355.51 I believe the dollar amount was, if it quacks

like a duck, if it walks like a duck, chances are it is a duck.

Now, I also want to bring to our attention necessary consultation. That was something that was mentioned in the Throne Speech that will be a part of the Legislative practice of this Government when looking at health care. In talking to some of the private insurers, in the little time that we had to do our due diligence to sort of get our heads around this change in model, the overwhelming comments that we got were, *We didn't have sufficient time. The Government rolled this thing out. We would have liked to have had time to go back and crunch numbers.* The suggestion was also thrown out to us in regard to the 6,000 underinsured or uninsured people who are in our community . . . I threw that question out to them. I said, *This is a vulnerable group of people who need to be considered. Would you as private insurers have had a solution for the Government?*

And we found that they were willing to consider, thought it was a great idea, if the three or four major private insurance companies could actually underwrite these 6,000 underinsured or uninsured persons, spread the burden of covering their insurance, which I thought was intriguing. You don't find too many profit-making companies that are willing to take on that type of burden.

But I guess the point I am getting at is, was there sufficient time for the Government to go through the pains of actually sitting with the private sector in this country and trying to find solutions to problems that are already there that could be done before even reverting to this new model? Because, again, I have to reiterate, the private sector . . . and that is part of the capitalist system. When you have a profit-making incentive, by nature, it creates efficiencies. It also creates competition. It also breeds innovation and creative ways of doing things.

I was made to learn that some, for example, within the Government, some of the GEHI payments back to the service providers, the delay is like six and seven months behind. That is an example of inefficiencies. Whereas we know that when the private sector, the private insurance companies receive their premiums from their clients, they make sure that the service providers for their clients are paid back within 30 days. I mean, you can fully understand the cash flow issues that private service providers can appreciate under a capitalist system.

So, I would like to hear from the technical officers of the Government on how they intend tackling that inefficiency of where service providers are having to wait for extended periods of time for the payment of the services that they provide?

Now, I also believe the public was sort of taken aback, even as news came out to the public, about this change in the modelling of the funding of the Standard Hospital Benefit. We know that the Minister was able to make one or two statements in the public

domain. And then we know that another private insurance company quickly alerted their clients to the changes in the model. And to some degree, I believe that their attempt to pre-warn or prepare their clients for the changing modelling of health care in Bermuda was seen as being mischievous. It was seen as being profit-generating by these private insurance companies.

Now, Madam President, if you would allow me just to quote from a portion of the Minister's Statement made to the media in regard to this situation . . .

The President: You may.

Sen. Marcus Jones: The Minister of Health, at the time, was quoted as saying, "²The premium increases made by this company are a business decision based on profit margins and shareholder interests. The extra premium they are charging is not to pay for hospital care—the Government is protecting that—it's to fund their profits."

Now, in response to that, this particular insurance company made the following statement, and if I may quote this, as public knowledge. It is from the BF&M, from the President of the BF&M, Mr. John Wright. In his response to the statement made by the Minister, he said the following (and I quote): "³We want to work together with the Government to develop thoughtful, comprehensive health care reform that achieves our shared goals of stabilising costs, increasing accessibility and driving better health outcomes. We are in the process of presenting to Government viable alternatives. And we are hopeful that those discussions will result in thoughtful solutions."

So, from a small sample size of the quotes made, and the tone by the Government versus the private insurer, we see that there is definitely a different approach to it. I believe that this Government can be a little bit more collaborative, less demonising to private insurers and seeing how they can present solutions.

So, I think it is worth stating again that we on this side would have really appreciated the added time to actually do the grunt work, to do the rolling-up-the-sleeves and meeting with more intense and technical consultation with the private insurance companies out there, so we as a country can be together, and alleviate the fears of the public and come up with solutions that work for everyone.

Now, as I am looking at the trajectory of this Government and its approach to health care, I am concerned that little by little the private insurance companies are going to be elbowed out of this very integral and important part of health care in this country. We know, as I said earlier, part of the Government's target is for universal health care. Now, that is

a term that can be misunderstood, misinterpreted, Madam President. And if you would allow me, I would like to just give the definition of this particular terminology.

The President: You may, Senator Jones.

Sen. Marcus Jones: According to Google, "universal health care" is "all citizens have access to affordable high-quality medical care, which can be funded and managed by the government where the system could use both public and private health care service providers." So, that is one definition of universal health care.

Now, another word or another phrase which is bandied about that is similar to this definition of universal health care is "socialised medicine." And, Madam President, if I may read a definition of socialised medicine. Socialised medicine—"a health care system where the government both operates the health care facilities and employs the health care professionals, with little to no private company participation."

Now, you in the listening audience, and my fellow colleagues around the table, may feel that I am jumping the gun, getting ahead of the debate. But having watched and observed the lightning speed in which this Government rolls out its legislation and does not afford for sufficient debate and discourse, my thought in even coming here today was at least to get that concept out there into the marketplace of public opinion and discourse so that we as a country can start talking about the end game that I believe the Government is aiming at.

Now, one thing that concerns me, as the Government takes on more and more of this health care, and fewer and fewer private insurance companies are going to be involved in this whole process, one of the things that we have seen over the years is that the private insurance companies have been very, very diligent and very enthusiastic with the health-is-wealth promotion. I believe the private insurance realise, as we all do around this table, that the healthier we get as a people in this country, that will go a long way in reducing the cost of health care.

My question to the Government would be, As the private sector gets more and more, shall I say, marginalised from this health care process, does the Government have plans to do even more in regard to promoting health and wellness? Are you going to budget significant funds to ensure that the public is educated on things like the chronic illnesses that plague this small Island—diabetes, obesity and the like? So, those are definitely some of my concerns as we start to bend towards a government-funded, a government-managed-type of health care.

Now, one thing I would say in regard to this consultation, the original legislation was drafted and rolled out, the health insurance plan of 1970. Now, that was 49 years ago. I wonder if we even had 49

² [Bernews](#), 2 May 2019

³ [Royal Gazette](#), 3 May 2019

days to have consultation and discussion and specific technical discourse about this amendment to the Health Insurance Bill. I cannot belabour that point enough.

Now, I do have a couple of more observations and possible questions that the technical officers can possibly answer for us before we come to the end of this debate.

First, let me give another illustration of my concern about health costs. Earlier this month, I had to take a senior member of my family to the doctor, to the physician, for an annual health check. Of course, she is on FutureCare. I was able to take her in, and I realised as I was about to pay for her co-payment that it was \$289. I thought that was a large amount of money, especially since on my last medical when I went to my doctor, my co-pay was \$150. Now, I realise that she is under FutureCare, and I was under major medical. But herein highlights one of the overriding issues that we face as a community.

Now, I was at my doctor's office for about two and a half hours. I was plugged in to every machine known to man. I could not see the skin on my body for the wires that were hooked up to me. The cardiovascular testing that I went through was a rigorous exercise, and a doctor was poking at every space within my body, two and a half hours.

And this senior member whom I took to the hospital was there for 15 minutes. And I was saying, *What?* I share that story because I really, truly believe that one of the ways and one of the things that we need to focus on as a country is . . . and I know that there are set prices for different services that are done in the hospital, as well as within the external health service providers. But something must be done and said if physicians and other service providers can have a wide range of co-payments for those seniors and for able-bodied working men and women in this country, [but] where the user of these services cannot readily be able to compare prices.

Now, I spent most of my working career within the hotel business. So, especially here in Bermuda, if a person is coming and looking for a place to stay he can quickly find out if the hotel that he is staying at is a four-star, is a two-star. If it is a two-star hotel, there is an expected price range that this consumer is going to be expecting to pay out. If he is staying in a four-star, he is going to be expecting more amenities. He is going to be expecting the restaurants to have meals that are far more expensive, compared to the lowly two-star hotel that may just have a snack bar somewhere. So that consumer is really aware of the comparison of prices of the product that he wants.

Now, let us take that into the health care system. It is not user-friendly. It is more geared to the provider. You can try your best to nail down the cost, for example, of a physician to sort of determine, okay, do I want to go to Physician X or Physician Y? What types of services do they give? How vigorous of an

annual physical do they do? What lists of testing do they do that is going to take care of my needs? It is not user-friendly. The health care system that we have here is geared to the service provider.

And again, I hail back to the challenge that was made to the private insurers that we are claiming are out to get profits and are looking to take advantage of the system, when we have the actual providers who are not strenuously regulated, as they should be, so that this can be the target where we can drive down health care costs. So my question is, as the private insurance companies come out of the health care business, are we as a public going to be comfortable and satisfied that the gap that they leave behind, which they practice in regulating the service providers, i.e., are the doctors over-referring their patients for testing, for diagnostic imaging? Are they sending their clients overseas more so when they should be settling on sending their clients to local service providers?

These types of questions have been asked strenuously by the private insurers, because they know that their bottom line is either made better by them scrutinising possible overcharging by the service providers, or made worse if they do not pay attention and read the fine lines and make sure that the service provider is not taking advantage of their clients. So, that extra level of policing and checking on the service provider may be lost as the private insurers step away from the model that is now being introduced, I would feel far more comfortable if I knew that the Government entities will be just as vigilant.

Then we look at the newly formed, I call them "mini hospitals" that are starting to come on the horizon in the City of Hamilton. What will the Government be doing? Will the Government be encouraging many of the public to come to the hospital for their SHB benefits? Or will they be actually encouraging the public to actually utilise these external service providers? We know, and we have heard the stories of some of our loved ones having to sit in the emergency room for five, six hours to get service. And we have heard of the challenges of there not being sufficient beds in the hospitals, where some of our loved ones have had to sit out in the corridors as they wait for a bed and wait for a room to be made available.

So, those things, those inefficiencies definitely have the concern of the public. And the public would be far more amenable to this change in the modelling of the funding of the hospital for its SHB if there were, I guess, an education of the public on what the Health Council watchdog does to make sure that services meet the demands of an ever-ageing population where many of the working younger generation are finding it far more better to their liking to leave their home shores and go to the UK or go to America. We need to be able to keep a handle on that.

Madam President, I believe that I have expressed my concerns about this amendment to the

existing legislation. Again, I do wish that more time was afforded for both those stakeholders within the community who have expressed to us their dismay and disappointment that insufficient time was afforded for them to actually crunch numbers and possibly provide solutions to the Government. I also want to reiterate what we are hearing, and that is that the private insurers do not want to be demonised, do not want to be made to look like profit-grabbers over taking care of the wider public when it comes to health care, that greater collaboration and working together helps us to find solutions far more quickly than statements that are made to (like I said, I will use the word again) “demonise” the private insurance companies.

And with those comments, Madam President, I take my leave.

ANNOUNCEMENT BY THE PRESIDENT

SENATE VISITORS

The President: Thank you, Senator Jones.

And before I open it again to other Senators to speak, I would just like to acknowledge the fact that we did have the Minister of Health, the Honourable Kim Wilson, here for a short while, and also the Minister of Home Affairs and the Deputy Premier, the Honourable Walter Roban.

I would also like on behalf of the Senate, to welcome Kathy Lynn Simmons, the Attorney General, who indicated that she was not feeling well. And she has got off her sick bed and come in to support us in the discussion and debate of this Bill; and also acknowledge Jason Hayward, who, we were also told, was not feeling well. So, on behalf of the Senate, I want to welcome both of you for coming today, even though initially you were not feeling well.

[Health Insurance Amendment Act 2019, second reading debate, continuing]

The President: Would any other Senator care to speak?

Senator James Jardine, you have the floor.

Sen. James S. Jardine: Thank you, Madam President.

Madam President, before I sort of get into the meat of it, I want to first acknowledge, for the sake of full disclosure, that I am a former director of one of the local health care providers. Having retired from that board some years ago, I no longer have any involvement with that company or, indeed, with any other health care provider in Bermuda or outside Bermuda.

The next thing I wanted to say and make clear is that I do believe that access to health care is a basic right for all Bermudians. There is no question of that. And also, probably one of the most important, if not the most important issue of the day is controlling

our health care costs and looking at ways to reduce them, going forward. How we do that, obviously, is the question that is on everybody’s mind. And it is complex, and it is not something that can be done overnight.

So, Madam President, with those few comments, I will get into the meat of my comments today. Much has appeared in the news media over the last few weeks about the proposed amendment to the Health Insurance Act. However, there has been little information on this proposed amendment prior to April, and just exactly what those changes would be and how they would impact the average person in Bermuda. So, this has all happened fairly quickly. And there are a number of people who are still trying to come to grips with what this actually means.

Madam President, I attended the town hall meeting on this subject last Thursday, which was informative and provided some answers to some of the questions and concerns that I had. The only other source of information on this particular issue can be found on the Bermuda Health Council website, and there is some very good information on there, which I was able to pull off, one entitled “Standard Premium Rates—2016 to Present.” And “What’s New: 2019/20 Standard Premium Rate.” And so, a lot of the information which I sought to gather came from information which is available on the Bermuda Health Council website and some other sources that I dug around to find information.

Madam President, while I appreciate that the Government wants to enact these changes by June the 1st of this year, it seems to be making this change far too quickly and has not given the general public, let alone the insurers—and I include in that some of the banks who have approved schemes that they run themselves—enough time and opportunity to figure out what this means to them and the community at large, and to put forward viable proposals, alternative proposals to the Government of the day.

As the Minister told us at the town hall meeting, the 2018 actuarial report recommended an increase of some \$84 in the Standard Health Premium per person per month, which works out to approximately \$48.5 million on an annual basis. So, that is a large sum of money; there is no question about it. And that would have represented a 24 per cent increase in the [SHP].

I tried to get a hold of a copy of the 2018 actuarial report, but was told that it would not be released to the general public until June 1st, which, of course, is after the date at which this Act takes effect. I am pleased to say that late last night or early this morning, I check it every day, miraculously, the 2018 actuarial report appeared on the Health Council website. So, I quickly scanned it to try to get some information off of that for purposes of this debate today.

Unfortunately, that report is sort of excerpts from the full actuarial report, and that is some infor-

mation that was included in the 2017 report which may not have found its way into the 2018 report. So, it was difficult to see what really caused the actuary to say, *You need an extra \$84 per person per month*. And, you know, that may have been an initial comment from the actuary, and then when he issued his final report, all of that information just disappeared. But, certainly, I could not find it.

Madam President, I can understand the Minister's concern and her need to avoid increasing the SPR by this amount, if at all possible. For the listening public, as we know, the most significant part of the proposed changes will result in a 226 per cent increase in the amount of money paid to the Mutual Re-insurance Fund, and thence to the Bermuda Hospitals Board. This means that 93 per cent of the Standard Health Premium of \$355, or approximately \$195 million, by my calculation, will be paid into the Mutual Re-insurance Fund. And those numbers are based on the actuary's report of 49,000 insured persons in our population.

As far as I can gather, this amount, together with the hospital grant from the Consolidated Fund, will make up the \$330 million lump sum amount that the hospital will need in order to operate for the ensuing year. And just a couple of refresher points for the public at large just in case they missed it, and there have been three or four articles in the *Royal Gazette* and *Bernews*, which have laid out some of these facts. And the first is the insurers will still be responsible for collecting the Standard Health Premium. So, they are still responsible for collecting that. They will keep only \$23.34 of that premium to cover three areas. Probably the most noticeable one is outpatient diagnostic testing.

Now, by my calculations, the premium for being responsible for that, in total, for the whole year, works out to about \$10.3 million. However, the total cost for diagnostic imaging for 2017, as per page 23 of the 2017 actuarial report, was over \$37 million. So, we are getting \$10 million of revenue to cover \$37 million of imaging claims. Now, it is not clear from the report, in all honesty, what portion of those imaging claims are hospital imaging claims or claims from service providers outside of the Bermuda Hospitals Board. That information is just not there. But certainly, if I were an insurer, I would be concerned that this tiny bit of premium that I am getting per person per month is not going to be sufficient to cover those costs of imaging from the general service providers.

The 2018 report, which I quickly scanned this morning, did show some good news. And it showed that the imaging number, or cost, has dropped from \$37 million to \$24 million. So, I guess that if there is some good news in the 2018 report, it is that. And I will leave it there.

The hospital will be responsible for processing all of the claims, as they have in the past, so no real change there. It appears, from what the Minister said

at the town hall meeting, that insurance cards will still be required to be shown when attending the hospital for treatment. But the question is, obviously, What happens to those with no insurance and, therefore, no [insurance] cards when they show up to the hospital? Presumably, they will now just be treated without any question, even though they have paid no premium. I have no idea how that is going to be handled, but presumably that will be tracked in some way and the statistics at the hospital will be retained.

The hospital will be responsible for recording treatment data just as they are now, but who will be checking the treatment being given to make sure that it is in accordance with the Standard Premium Benefits? Presumably, the hospital. But one insurer has argued that because the insurers are no longer responsible for processing and reviewing those claims, there is no independent party attesting to the validity of the treatment that is given for the charges that are being given or the treatment that is being given at the hospital. That is to say, making sure that it is in accordance with the benefits granted under the provisions of the Standard Premium Rate. Pretty important thing.

I understand reading from the fact sheet that was just issued yesterday by the Minister that the hospital will be sharing this claims information, or as they are now calling it, "hospital utilisation data" (I think I have that term right) with the Bermuda Health Council, who will then share that information with the insurers. So, the insurers will need to know how that information is going to flow and how current it will be.

Madam President, I have analysed the components of the Standard Health Premium, as well as the loss ratios for the two insured sections, that of the government plans and that of the private sector plans, over the last four-year period, from 2015 to 2018. And the loss ratios are as follows, just for the general public: Government plans varied from a loss ratio of 122 per cent to high of 144 per cent over that four-year period. The private plans varied from 80 per cent to 89 per cent, and that 80 per cent number, again, is just fresh off the 2018 actuarial report.

Of course, there are a number of reasons why the government plan loss ratio exceeds 100 per cent. These include, but are not limited to—and I stress *not limited to*, because there are other factors at play here. But certainly, there are a couple of key factors to bear in mind. One is care and claims for the elderly over 65 are much higher than the premium charged, and this area is heavily subsidised. Secondly, HIP also covers the people who are on financial assistance, and their claims are historically much higher than they are for options. So, there are reasons why the government plan loss ratio is as high as it is.

Madam President, there has been much said in the news media from two of the insurers about the disruption this will cause to their businesses. The lack of consultation that has taken place between Gov-

ernment and the insurers and the many questions and concerns that they have regarding the operation of the Standard Health Premium and benefits, going forward. And these have been expressed by two of the insurers in a variety of *Royal Gazette* articles—May the 3rd, May the 11th, May the 14th, and a *Bernews* article on May the 2nd. There was also what I would call a to-the-point article from Martha Myron on this subject just a few days ago.

Madam President, the speed at which the Government is moving forward with this change has left little time for adequate consultation or consideration of the possible unfavourable outcomes of this move. And, as Naz Farrow, from Colonial, put it in a May 14th, *Royal Gazette* article, if I may quote her, Madam President?

The President: You certainly may, Senator Jardine.

Sen. James S. Jardine: She said the following: “The situation is complex, with the potential to deeply affect the lives of thousands of Bermudians across the board. The views of all stakeholders must be carefully considered in order to achieve reforms that are sustainable and that bring about much better health outcomes.”

So, Madam President, what are the financial implications of what is happening here? As I said earlier, the Mutual Re-insurance Fund, and, by extension, the hospital, will receive approximately an extra \$195 million with the proposed change, which would have gone to the insurers in the past. The hospitals will now be responsible for covering all of the costs associated with treatment under the Standard Health Benefits, except for outpatient diagnostic testing and a few other small areas, which will fall to the insurers to cover. And I have mentioned that earlier.

At the town hall meeting last Thursday, we were provided with a pie chart which showed that, by switching to this new basis of funding, \$50.67 of the standard basic premium would no longer be used to cover administration costs and profit. Now, I do not know where this amount came from because, according to the details of the Standard Premium Rate, which I have gone back over the last five years and analysed, there is no amount in there for administration costs and profits. So, I am not sure where that number came from, because the only administration I can find in their costs are \$1.06 for administration for the Health Council and Mutual Re-insurance Fund, which continue under the new plan. So, where this number has come from, Madam President, is a mystery to me.

I do know that, with a loss ratio of 80 per cent for fiscal 2017/18, the private plans would have netted a contribution of approximately \$20 million. And maybe that is where the \$20 million in cost savings that the Government is talking about is coming from. Let me just say that again. I do know that with a loss ratio

of 80 per cent for fiscal 2017/18, the private plans would have netted a contribution of about \$20 million.

However, I should point out that, according to a May 14th, 2019, *Royal Gazette* article, the actual net profit on this business is only about 5 per cent. So, effectively, the \$20 million transfer in net revenues after claims that I had mentioned above results in a much smaller amount of profit to be shared by all the private insurers, including those companies with approved health care schemes, because all of that money is now going to the hospital. So, I presume that is where the \$20 million in savings is coming from.

Sen. Jason Hayward: Point of order, Madam President.

The President: Senator Hayward, what is your point of order?

POINT OF ORDER

[Misleading]

Sen. Jason Hayward: I think the Senator is inadvertently misleading the House. The Government has never spoken about \$20 million in savings. The funding change prevents \$20 million of added spend to the health system. I think the language is substantially different.

The President: Senator Jardine, carry on.

Sen. James S. Jardine: Thank you, Madam President.

Perhaps I can rephrase and say that by transferring the \$194 million of premium to the hospital, if the hospital does not incur any further costs of hiring staff or anything else, they will net \$20 million, bottom line, out of that premium which they now have.

So, some would say, *Is this fair?* Some will argue it is the right thing to do. Others will argue the contrary. But, Madam President, my concern is not so much with that; it is how this change will affect the average Bermudian and non-Bermudian, for that matter. As I understand it, the hospital will be able to cover its operating costs with the lump sum grant of \$330 million, part of which will now come from the additional funding provided by the Mutual Re-insurance Fund. The grant is capped at \$330 million.

Well, Madam President, we know by looking at the 2018 National Health Accounts Report, which I printed out, the total cost in 2017 to run the hospitals was exactly \$330 million. We do not have the information yet for 2018 or 2019, so we do not know what the costs were for those last two years. This is why I asked the question at the town hall meeting, What happens if the cap of \$330 million is exceeded? The response was that the hospital will be able to cover that with the additional \$65 million of cash that they currently have on hand. And I understand that. The

concern is, I do not think that they can continue to do that for too long. There will have to be a point in time where additional funds will have to be sourced from elsewhere.

Madam President, I know this debate is not about the hospital expenditures. But it is noticeable that we only have audited accounts for the hospital to March 31st, 2014. This means we have five years of outstanding accounts which we have not seen yet. And for an operation that represents some 46 per cent of our total health system expenditures, it is extremely important that these accounts be made available on a more timely basis, in particular to us who sit here in the legislature, but also to the public at large so they can see what the costs are for running our hospitals here.

I prepare and keep an analysis of all of the hospital's expenditures since going back to 2004. And unfortunately, in 2013 some of the information that was contained in the financial statements, which broke out the salaries in the six key areas, has now disappeared and we just have one total.

That particular detail was extremely important because it broke out where the salaries were in each critical department in the hospital. And I would certainly urge that this information be put back in the financial statements.

Madam President, I apologise for the slight diversion, but I think it is important to stress that our hospital costs keep rising. And because it is the single most important or largest component of [our] health care costs, it needs to be looked at with some urgency and diligence. And we have heard from Senator Jones the concern about the other service providers' costs, as well. And again, I have tracked those since 2004, and they have all gone up by about 91 per cent. So, across the board, our total health expenditures have gone from \$378 million in 2004, they are now up to \$723 million in 2017. Some massive increases have occurred over the last 10 years. And certainly, it is of great concern.

Based on the sudden change to our health system some insurers have said the effect of these changes will impact, in part—and I stress *in part* because certainly one insurer has indicated that it was only part of the reason why they have increased their insurance rates—the health insurance premiums that they will charge their customers for 2019 have gone up. I have heard that increases of between 7 [per cent] and 20 per cent are being experienced by employers and employees in some companies.

A close friend of mine told me only yesterday that he had received his notice from his insurer, and his insurance premium has gone up by 25.5 per cent—25.5 per cent. But the real impact on health insurance expenditures will be unknown for some time. Again, it obviously takes a long time for this information to be put together so we can see where it is going. One insurer has explained that rate increases

are a combination of several factors, namely, the rising health care costs generally; overall claims experience of each group; and lastly, Government's proposed changes to the distribution of the SPR. As I have said before, in all fairness it is not just these proposed amendments that we are talking about today, but there are other factors that are at play that have caused this increase.

But as we heard from Senator Jones, a number of insurers have all turned in solutions, which they were in the process, as I understand it, of putting forward to the Government. And it seems to me that these should be considered. Another insurer produced a health Q&A sheet, which was attached to the May 14th, 2019, article in the *Royal Gazette*. That particular insurer said in her comments to the *Royal Gazette* . . . and if I may quote her, Madam President?

The President: Yes, you may, Senator Jardine.

Sen. James S. Jardine: “[We] are disappointed the Bermuda Government’s proposed healthcare reforms are ‘rushed’ and do not address the real drivers of spiralling healthcare costs . . . including overutilisation, healthcare inflation and an ageing population. These challenges must be confronted if we are to secure a sustainable future for Bermuda’s healthcare system.”

And she further explained, Madam President, for her clients, “it means that their total claims experience—whether they use the hospital or not—cannot be factored into their health insurance policies, thereby removing one avenue to lower premiums. . . . Because the set government fee is based on the entire insured community’s experience, the fee will be greater than the premium many of our clients would otherwise pay.”

So, Madam President, while there may be no increase in the Standard Premium Rate determined by Government, these changes contemplated in the Bill before us will result in some cases in higher health premiums for a significant number of insureds.

Madam President, insurers have five choices when it comes to changes in their business model. And they are as follows: One, they can do nothing and simply absorb the change and make less profit. Two, they can decrease overheads by reducing staffing levels in areas where they are no longer required. For example, since the insurers are no longer required to process and maintain adjudication over the Standard Health [Benefit] claims, they could lay off staff, since the staff who were previously used to do that may no longer be required. So, that is the second alternative.

Three, they could increase other health insurance premiums to compensate, where they can justify those increases. Four, some combination of the last two; or lastly, they could just get out of the health insurance business altogether. So, businesses who are confronted with this sudden change are wrestling with, *What do we do?* And those are the alternatives which

they will have to deal with. And it remains to be seen which of those options the insurers will go with.

Madam President, there are some other concerns I have, some of which have been expressed by others outside of this Chamber, which may come about as a result of this change. And they are as follows: The first is utilisation. And I think Senator Jones touched on that in his remarks. Will the hospital see substantial use or increase in the utilisation of its facilities now that it appears that all will be attended to at the hospital regardless of whether or not they have any insurance coverage? Will the hospital become overloaded and thus unable to cope with persons on a timely basis? If this happens, what can the hospital do to alleviate this possible situation? Will those who can afford it seek treatment overseas as a result, and what will be the possible increase in cost of that scenario? So, there are a lot of questions here.

Secondly, impact on employers and employees. Will the cost of the additional benefits currently being provided by employers be too much and force them to reduce the benefits that they provide for their staff? Or will their staff simply opt out of any additional benefits because they are just too expensive? Will employers think twice about hiring more staff because it is now going to cost them more in terms of health insurance if they provide more than the Standard Health Benefit?

Because of the uncertainty in the minds of some, we do not know what impact this sudden change will have in other areas. Many are expressing high levels of concern and uncertainty. And I have spoken to a number of local Bermudian businesses in all areas. And I have also had information given to me from the international business community, which I will share with you in a minute. But there is concern out there, real concern—disgruntled employees, because they are now being faced with some pretty substantial increases in their health coverage. Will companies faced with higher insurance premiums start to charge more for their goods and services in order to compensate for these increased costs? Who knows? I have heard one say, *Yep. Already underway*. Will families and companies decide that Bermuda is just too expensive and leave?

Will companies who thought they might come here think twice because of the cost of health care? Maybe it is cheaper somewhere else. Will still other companies decide to leave because of the higher costs? These are my main concerns, Madam President. There are others, I know, but those are the ones that I am really concerned about.

Madam President, last evening, I received a letter from ABIC, which has also been endorsed by the Bermuda Chamber of Commerce, the Bermuda Employers' Council and the Bermuda Hotel Association. And with your permission, Madam President, I would like to read extracts from that letter. I think it is

particularly important that the listening public hear these. Would you grant me permission?

The President: Certainly, Senator Jardine, yes.

Sen. James S. Jardine: And it starts by saying, "Bermuda's business associations, the Association of Bermuda International Companies, Bermuda Chamber of Commerce, Bermuda Employers Council and the Bermuda Hotel Association represent all segments of the economy and virtually all private sector employment, and they are very concerned about the impact of the changes contained in the amendments entitled Health Insurance Amendment Bill 2019.

"We know that these proposed amendments will impact cost and, perhaps more importantly, access to comprehensive quality health care for Bermudians with limited financial resources. Premium increases have been announced by insurers, as the amendment Bill fundamentally and adversely changes the claims experience models of insurance companies, affecting costs and the competitiveness that has benefited the Island. The employers that cannot afford the premium increase will either pass the increased costs onto their employees, many who cannot afford it, or organise only basic insurance coverage for their employees.

"Local employers, who employ the majority of Bermudians, will be the ones most likely to cut other costs, including employment, in order to pay the increased premiums. International businesses have frequently commented on the high cost of doing business in Bermuda, and the impact of the amendment Bill will exacerbate the concerns, making it more difficult to attract new business and maintain the businesses and jobs that we have." Pretty cold, stark facts.

"The amendment Bill will alter the checks monitoring within the health care system for overutilisation and appropriateness of health care, since the insurance companies will no longer be providing that service to control costs of the Standard Hospital Benefits programme.

"It is important to note that the local economy has been mired in a recession for many years. And any extra expenses that the community has to shoulder are not likely to be borne without consequences. We respectfully ask you" (that's me) "to use your efforts to persuade the Government to temporarily withdraw the amendment Bill so that a robust consultation and review of alternatives may take place. We strongly believe this is necessary. The Government has not justified the need to move this amendment Bill so quickly.

"Additionally, we believe the Government is moving ahead in the face of increase in the cost of health insurance for the working population and for businesses."

Madam President, that is an extract of comments in the letter. And I specifically asked if I could mention those today, and I was told I could. So, I think it was important that I do that because there has been very little public comment from the business sector and from individuals on this, except if you read the comments attached to the articles in the online articles on the Internet. So, I think it was important to read that because that is coming from the international business community. It is coming from the local business community. And they are very concerned.

So, Madam President, this amendment does nothing to reduce health care costs, but simply holds the fort against cost increases, hopefully, at the hospital. It is able to do this by seeking to change the way that service at the hospital is charged, going from a fee-for-service approach to lump sum grants. And again, I do not necessarily have a problem with the change in that particular methodology. I think the concern is the speed at which it is happening and also how it is being covered in terms of costs.

This change does not address the real issue, and that is to reduce health care costs. In fact, it will, in my opinion, result in increased health care costs. And we have just heard from that letter I just read out why I believe there will be increased health care costs generally throughout the Island. How much and just where we will come out at the end of the day is anybody's guess. I would personally have liked to have seen far more consultation with the insurers, in particular, and others, to find real solutions to reducing health care costs. Many are only just now finding out the facts. And again, I have spoken to a number of them who are just beside themselves in terms of how they are going to fund this additional premium cost.

In my view, this has all happened far too quickly with insufficient consultation and time to reflect and look at possible alternatives, with the undesired result of higher insurance premiums being levied on many in Bermuda. I would urge the Minister to pause and consult further, and look at other alternatives before ploughing ahead with this amendment.

Thank you very much, Madam President.

The President: Thank you, Senator Jardine.

Would any other Senator care to speak on this Bill?

Senator Robinson, you have the floor.

Sen. Dwayne Robinson: Thank you, Madam President.

I also believe that health care for all is a basic human right. And I believe that most of the Senators who have spoken so far have outlined exactly what I wish to outline as far as my reservations towards this particular legislation. But since they have been outlined this so well, I would like to focus mostly on something that I heard in the brief, which mentioned younger generations paying for older generations. I think this is

one of the main gripes that many people have come to me, [those] in my age bracket and I have put up a few things and went to speak to a few of my peers. And it just seems to them that with the state of things and the prices rising and Bermuda's cost of living that they will be the ones left with this Bill if we push forward.

I do believe that universal health care is indeed something we should look at. And I do believe that if there was a pinpoint bullet point presentation as far as how we were going to take a step to do this, being that we have so many other beasts to tackle before we can even discuss lowering health care costs, we have to tackle how to increase the healthy options for our people or else the health care costs will continue to increase regardless of what changes we make. There will always be people paying more because we have an ageing population, and eventually there will be fewer bodies paying into this system.

So, until we tackle these present issues, people will remain pensive and they will continue to stand confused as to how exactly health care can drop when we have these glaring, blatant issues to still tackle. And I know that many Senators have already mentioned it, so I will not harp on it too much. But I do believe that this is the main cause, of health care. We have to figure out how to get more folks paying into the system, or else it will always, always be a rising cost.

And even to discuss the goal of universal health care one must then analyse exactly how we can transfer into that system, and what we require. Because if you look at universal health care in other countries, it usually comes with a raise in taxes or a tax dedicated to funding that. And folks have agreed to pay this tax and also feel confident in paying this tax because they have a clear insight into what care they can get, what standard of care they can get. And a lot of folks in Bermuda have constantly complained that, when they go to one doctor they get one set of treatments, and when they go to another doctor they get a different set.

So, my question will also be, on this topic, Is there a standard operating procedure as far as doctors are concerned when they come across? Because you have a doctor who might be trained in India, and you have a doctor who may be trained in the Caribbean, and they may practice differently. So, with universal health care, we all have to know that if we are paying into a system, that we will get the same standard of care.

So, there are a lot of questions that we will have in the community regarding that which I feel have not been answered and have not been given proper time for people to digest, because speaking as a layman myself, I am not an expert in health, so it requires me to do a lot of digging and a lot of research leading up to this. And I will say that I did see the efforts of the Government to give some sort of consulta-

tion to the people and some sort of explanation. I did see the town hall; unfortunately, I was working and I could not attend. But I do believe that to overhaul an entire system, Madam President, it should be taken a bit more seriously than it is currently. It is not something that we can just shotgun through or set up and do two readings in one session, when we are the watchdogs of legislation.

We know it is going to pass in the House, so it is up to us, you know, to put the brakes and say, *Hey, there is still a lot of confusion around this Bill, a lot of tit for tat between the Minister and the heads of insurance, a lot of people posting on Facebook about how they are not sure, about confusion as far as what the changes are.* Many people believe that there is just a cost factor on top. So, you know, it is just . . . we cannot push forward with legislation without making sure that our people are properly notified or at least have a way to feel safe that their taxpayer money that they are paying is going to be put into a system that they can rely on.

And then there is the difference between saying that it is for people reasons and not for business reasons. And this particular thing did not sit well with me, because I feel as though businesses are our people. And this line that is being drawn, our people are employed by these businesses. If they incur costs where they can no longer sustain employment or can no longer sustain health care benefits for their people, then we are in a catch-22. Nothing will move. People will be unemployed. People will be laid off. We have already seen businesses close. We have already seen layoffs in places that should be a bit more stable than the average Bermudian business, such as banks.

So, what exactly are we saying with this Bill? What are we as a legislative team saying that we feel is so . . . that this huge change can be properly analysed and properly broken down in one session? So, I am not going to go back into the specifics that Senator Jardine and my colleague, Senator Jones, have laid out, because I think that they did an excellent job at it. But this is what I want to leave with.

The youth and the young folks of Bermuda right now feel as though there is no path for them to get ahead in this country. And I am not going to speak for every single one of them. But I have done my fair share of canvassing. And I feel as though this is something that we have to assure them that they will not be left holding a big, fat cheque because we wanted to do some people-pleasing legislation that did not actually tackle the actual issues that will be left for future generations to tackle.

So, with that, Madam President, I end my comments. Thank you.

The President: Thank you, Senator Robinson.

Well, Senators, it is now 12:24. Do you want to break for lunch? Because I think that whoever else wants to speak, I am sure they will want to speak for

more than four or five minutes. So, shall we break for lunch? I am putting it to you whether or not you would like to break for lunch and we will resume?

Yes? Fine.

So, Senators, we will break for lunch and we will return at 2:15. Yes. Thank you.

Proceedings suspended at 12:23 pm

Proceedings resumed at 2:16 pm

[Sen. the Hon. Joan E. Dillas-Wright, President, presiding]

BILL

SECOND READING

HEALTH INSURANCE AMENDMENT ACT 2019

[Continuation thereof]

The President: Good afternoon, Senators and listening audience. The Senate is now continuing with the second reading of the Health Insurance Amendment Act 2019.

So, I will now ask if there is any other Senator who wants to speak.

Senator Michelle Simmons, you have the floor.

Sen. Michelle Simmons: Good afternoon, everyone. Thank you, Madam President.

I would like to begin my comments by saying the provision of health care is complex. That word has already been used at least three times around the table this morning. This is not just in Bermuda, but it is in just about any democratic society. There are so many parts to the system, and I am sure I am not alone in having to take time to recognise and then to try and understand how all the parts fit together. It is a complex system.

All of us accept that the cost of health care in Bermuda is fast becoming unaffordable by the average person. So, we cannot allow that situation to continue. Madam President, I am going to go back to a quote you permitted me to use some time ago. It was during the economic debate, and I am going to ask you if I can share it once more.

The President: Absolutely, Senator Simmons.

Sen. Michelle Simmons: It is from the . . . it is from page 42 of the 2016 Population and Housing Census Report. This is it: Eight per cent of our population is without health insurance—an increase of three percentage points since 2010.

Madam President, this represents 5,341 people. That is up from 3,233 people without health insur-

ance in 2010. Now, obviously, I have not done a trend analysis, but it looks as though the number of people in Bermuda who do not have health insurance for various reasons is *increasing*.

The President: Mm-hmm.

Sen. Michelle Simmons: I do not have any figures for 2019, but I am going to assume the number is close to the 6,000 figure I heard Senator Jardine mention this morning. It is worth noting as well, Madam President, that the 45- to 64-[year] age group (and this is still from that report) that age group, the 45- to 64-year age group had the highest number of uninsured persons, i.e., it was 1,541, and following closely behind them was the 15- to 29-year-old age group, with 1,286 uninsured persons.

I think we should also take a moment and reflect on this fact: Thirty-six per cent of those people who were uninsured, i.e., had no health insurance, were *employed*. So, they are working! The remaining 64 per cent who did not have health insurance were evenly divided between those who were economically inactive (and I assume this means they may be self-employed people who were not working), and the unemployed. It just does not seem right for people in Bermuda to be working but unable to afford health insurance coverage. Not only are they putting themselves at risk, they are putting their families at risk, for obvious reasons.

I am pleased, very pleased, that Government has recognised that Bermuda's cost of living, and this is a quote, if I may use it, from the Throne Speech—

The President: You certainly may.

Sen. Michelle Simmons: —delivered on November 9th, last year, Madam President: “Bermuda's cost of living is negatively impacted by the high cost of health insurance,” and it continues in the Throne Speech, Government promised to, I quote, “Change the way we pay for health care and make it more affordable by expanding access to coverage at better rates.” And Senator Jardine, I believe, used the same quote this morning.

Today, we are here talking about one of the key contributors to our system of health care, and that is our hospitals. We are also talking about how the hospitals should be funded going forward. Indeed, it has already been acknowledged that the hospitals account for the most costly part of the health care system.

Currently, the BHB, the Bermuda Hospitals Board, derives a large part of its funding by charging insurance companies for services provided to persons who have health insurance. This applies to the greater proportion of our population, but as we know from the figures I have shared earlier, it does not apply to everyone. The insurance companies are then billed by the

BHB, and in turn, the hospital receives payment for services rendered, that is under the SHB, the Standard Health Benefit.

Now, Madam President, I hope you will indulge me, because I am going to try to share with the listening public and with everyone here, how I have managed to understand what is going on, what is being proposed here. The change being proposed today, as I understand it, and correct me if I am wrong, is that the Bermuda Hospitals Board will no longer charge the insurers for services rendered to clients under the SHB, i.e., to people who have insurance. Instead, all insurers will pay the Mutual Re-insurance Fund, the MRF, premium, into the MRF within 30 days of collecting the payment from the insured. Then, the BHB will receive these funds, at least the larger proportion of these funds, which will be applied toward the cost of its provision of the Standard Health Benefit to insured persons.

So, instead of the hospital now billing insurance companies, it is working quite differently. Insurers, or insurance companies, will collect money from those they insure. They will pay the Mutual Re-insurance Fund premium into the MRF within 30 days, and then the hospital will receive, I think it is 95 per cent or more, or slightly less, of that fund.

As members of the community, and I am viewing myself as a member of this community, we all need to educate ourselves as to what is covered by the Standard Health Benefit. I do not think this information is shared as widely as it should be. Because anything which is not covered by the SHB will either be billed to the insurer or to the patient. I do note that (and this is my understanding again, I could be wrong) the cost of dialysis will be covered under the MRF now, instead of separately as it has been done in the past.

One of the comments made earlier by Senator Jardine was also something I focused on, but I do have a recommendation to make. I noted as I read through the Bill that is before us today, that information regarding the services . . . actually, sorry, I read this in the questions. I read this in the information put out by the Health Council recently. It was a fact sheet, the standard premium rate in the BHB funding 2019 Fact Sheet, which I found extremely helpful.

I noted that information regarding the services which the BHB has provided to individual patients will be sent to the health insurer on a regular basis. I am really happy about that. However, there is a gap, because there is no mention of providing this information to the patient, or the client. And that, in my opinion, is something that could easily help us all to understand more, and also, it could be a way of double-checking and it could be a way of helping patients understand where their insurance dollars are going.

I remember many years ago (I am dating myself) when patients . . . and I personally remember receiving a statement on a regular basis regarding

services I had received as a hospital patient. And I believe I also saw quite clearly in that statement any services that I had received from other doctors. That system is worth reinstating or providing in some way that is more efficient now. But I really think that patients should receive as much information as the insurers do with regard to the services that the BHB has provided to them.

I am not sure who is responsible for sending those statements out years and years ago, but I hope that this is something that either the Health Council or, indeed, the hospital can look into with regard to providing information to patients about services they are receiving or they have received. It may even lead to better decision-making on the part of the patient.

One of the things I noted also in the fact sheet was that the BHB is going to be implementing an efficiency improvement programme, which may address some of the concerns of individuals I have spoken with in the community. The people I spoke with are fearful that the changes being proposed in this Bill may put the BHB in the precarious situation of not having sufficient funding in order to cover the services it currently provides. And so, I have questions such as, is there a danger of some services being cut because of a lack of funding? Madam President, is there the danger of some services being offloaded into the private sector where Government has no control over the amounts charged? These were a couple of the major concerns that individuals were sharing with me as I spoke to people in the community.

With regard to consultation, which has been mentioned several times today, I was not that happy to see that there has been very limited consultation, as I understand it, with the insurance companies. It seems as though in making this change with regard to how insurance companies will liaise going forward with the Bermuda Hospitals Board, it would have been appropriate to have, I think, more extensive consultation than has occurred, according to what I have been told. And I can only go by what I am told because I do not know how much consultation took place. But the impression I have is that it was limited.

Another concern that I would like to raise is with regard to the BHB looking more closely at whether services that they are rendering to patients are actually the services that they must render. And what I am referring to is something called "Utilisation Review," a system whereby the hospital itself takes a very close look at whether patients indeed need to be in the hospital. Are certain services that are being rendered to patients in hospital absolutely necessary under those circumstances? Does the patient need to be in the emergency room, for example? I know this question has been raised time and time again, and patients have been encouraged to seek the support of their GP, their general practitioner, before making the decision to go to the emergency room. Maybe some more scrutiny needs to be made in that area.

I am also being asked by people in the community about the system that the hospital set up many years ago when they introduced the idea of house officers and hospitalists. Is that system working in the favour of patients, and at what cost? Because it would seem to me that there was a substantial increase in staff at the hospital, especially in doctors at the hospital, and that would have certainly had an impact on the BHB's bottom line. So, right now, Madam President, I am trying to share some of the concerns that members of the community have shared with me with regard to the change in system that we are seeing.

Madam President, I will share that the intent of this Bill is something that I do endorse, because it is looking at putting a cap on the services or on the cost of running our two hospitals. But one of my biggest concerns, and this is one for me, about what has been tabled today in this amendment Bill, is that we are dealing with only one part of the system. It is a major part. But, in my opinion, if we have a system, Madam President, that is in some kind of balance, by tinkering with one major part of the system we stand the risk of throwing all the other parts into a kind of spasm.

And so, I would really like to urge the Government to go further, because we need to deal with all the other parts of the system that do not come under the auspices of the Bermuda Hospitals Board, under the BHB.

For example . . . and I believe earlier today a couple of the Senators referred to, you know, the cost of going to your general practitioner, the cost of going to a specialist in the system, or in the system outside of the BHB. What about private medical clinics? What about pharmacies? What about all the allied health facilities? None of these have been addressed by the Bill that is before us today. These services are all critical parts of the system of health care in Bermuda and none of them (at least that is the understanding I have and I stand to be corrected) are subject to Government control, especially in terms of what they charge.

Madam President, I would also like to ask about the Government's National Health Plan. What progress has been made with that? Because I see that as another major, major component of what must be retooled in order for us to have more comprehensive health care in Bermuda. Is the Government really considering a system of universal health care, as defined by the World Health Organization? It is something I hope that they are looking into.

But tinkering with one part of the system so far is not going to address the escalating cost of health care in Bermuda. It may have a small impact. But I think that by dealing with the other aspects of the system, we have a greater chance of having the major impact on health care that we really need.

One other point I took from the Speech from the Throne in 2018, Madam President, was this, and may I just read it?

The President: Yes, you may, Senator Simmons.

Sen. Michelle Simmons: The Government stated in the Speech from the Throne: “The needs of Bermudians must finally take precedence over insurers’ profits.” End of quote.

I am not privy to financial statements from any insurance companies, so I cannot judge whether this is a fair challenge. But we all know that Bermuda’s insurance companies have published information on their profits. Madam President, I am going to ask you once again if I may quote from one of the statements put out by one of our local insurers?

The President: You certainly may, Senator Simmons.

Sen. Michelle Simmons: And this is from a December 11th, 2018, report from BF&M on their nine-month earnings. It says: “BF&M Limited today reported shareholders’ net income for the nine months ended 30th September 2018 of \$16.9 million. Shareholders’ net income for the prior-year nine[-]month period of 2017 was \$5.2 million.

“President and CEO John Wight stated, ‘BF&M reported strong earnings for the nine months in 2018, along with strong operating results for the third quarter.’”

And this was one of the most interesting parts of the statement. “Our earnings were driven by the solid performance of both the Life & Health business and P&C operations,” (I am not sure what that is) “with continued support from income on non-insurance operations.” End of quote.

Profits are rising. Just as we need to share responsibility for the national debt—and “we” is everyone in this country—we must also share in the sacrifice which must be made to ensure that everyone in Bermuda has access to good health care. Unfortunately, I do feel that this Bill only deals with the funding of the BHB, and it is being presented somewhat out of context.

But the health care system does require change, and it does require even more change than we are looking at today, in order for everyone in this community to benefit from affordable health care, which we all agree is indeed a human right. Madam President, I will stop there.

The President: Thank you, Senator Michelle Simmons.

Would any other Senator care to speak on this Bill?

Senator Kempe.

Sen. Nicholas Kempe: If no one from the Government wishes to speak, I will speak, Madam President. Thank you.

The President: Senator Kempe, you have the floor.

Sen. Nicholas Kempe: As we seem to be in a pattern of declaring interests, I will also declare that I have no interest in any health insurance companies, et cetera, et cetera.

I think kind of everyone around the table so far seems to agree that we would like to see a system that provides affordable universal basic health care coverage to our population. My concern is that this Bill achieves none of those outcomes. It advances that conversation not one step. It has seemed to be a very rushed piece of legislation. The public consultation and the industry consultation have been utterly lacking. The drafting of the Bill was completed a question of days before the House had to debate it. We are sitting here today doing first and second readings in the same session, and presumably the Government’s intention is to do the third [reading] as well today.

This whole process, as people have said, is a complex issue. We do understand that health care costs in Bermuda are a major factor which inhibits people’s quality of life, because it is a major driver of cost of living. It is a major inhibitor to creating employment in Bermuda because it is a massive cost of employment. It is something that is borne between 50 [per cent] and 100 per cent by employers as a business cost. But this Bill provides no savings to those actors in the system. It is simply a transfer of negative claims experience from government’s book onto the private sector’s book. And I will get into that a little bit more. I mean, we have heard a lot of numbers around the room. I am going to use some [numbers] in my time, Madam President, but I am going to try not to get too deep into it.

But when we looked at the tardy release of the redacted actuary report late last night or early this morning, we note that the public book runs at about 130 per cent claim to premium experience and the private sector runs at about 80 per cent. So, the claims experience for employees in the private sector is positive, so the private health insurance companies either do not have to charge the full premium rate or use the subsidised supplemental. They pool all that risk in with the supplemental coverage that they offer. This is a far cry from the political rhetoric that we have heard about evil insurance companies profiteering, et cetera, et cetera.

All the Government is trying to do is pull the positive claims experience. As they have said this rate was community rated across the whole Island, instead of according to the various pools that have to manage these policies. So, it is simply pulling that approximately \$50.00 per private sector employee positive claims experience over to the Government. If you add up the numbers, there are some 34,000 private sector employees. That is where you get your \$20 million.

Now the Government talks about there being savings, \$20 million worth of savings, and I know Senator Hayward point-of-ordered Senator Jardine before, so before that happens, I will quote from Min-

ister Kim Wilson on March 28 from her press statement: "The new approach to finance BHB will allow us to save approximately \$20 million dollars."

So the only people that are saving money here is the government; where the private sector is simply being asked to contribute more to subsidise other parts of the community. And that is fine, but let's call this what it is. It is a tax increase to cover the negative claims experience of the individuals insured under government policies. It is not an efficiency exercise. It is not an ingenious ploy to remove excessive profits from the private sector. And, if it were, why are not these magical savings being passed on to those who are actually contributing? Why isn't the premium rate for the private sector being allowed to run its course, or taxes being lowered on the back end or somewhere else? All this is is a transfer of government's burden more so on to the working-class individuals in Bermuda and their employers.

It is simply a driver of the cost of business. It makes Bermuda less affordable to set up shop or to live in. It is simply going to drive up the premiums of the majority of people that work in the private sector.

Now, if you work in a company that has got a lot of people that are in that highest-demographic range under 65, you might not notice a large increase. But if you work in a company with a lot of younger individuals who were using the hospital services very little and you were receiving those savings as part of your collective premium from your private insurance company, you could be seeing your monthly premium go up by \$50 to \$80 perfectly well. For a company that is about 20-people large that could be an extra \$10,000 in expense right off the bat. This is going to clearly have to be passed on through increased cost, et cetera.

So whilst the Throne Speech quote that has been used by a number of my colleagues talks about making health care affordable and making it universal, this Bill that we are debating today achieves neither of those things. It does not extend coverage at all and it certainly does not address or tackle any of the actual drivers of health care cost. Again, controlling costs: this is the real area, as we have heard from independent financial folks and all this thing, that the three main drivers of our health care costs in Bermuda are the excess use of laboratory testing, diagnostic imaging. We have self-referrals between doctors and their own labs, which we are probably the only country in the world which still allows that to happen, and we have a demographic time bomb, whereby our retirement-age population is growing far faster than our working-age population. And this move is simply shifting that burden onto our ever outnumbered working-age population.

And Bermudians are not replacing themselves, so either we need to get more people onto this Island or we need to tackle the cost of the inputs into the system. Those are our two major levers, Madam

President. And this Bill does nothing to pull on either of them. It simply shifts the burden onto the working class.

Again, cost of business: We just came off the blacklist, which was a major fail for a regrettable error. But adding to the cost of business, adding to the cost of doing business in Bermuda is not going to help us turn around this situation. We got one self-inflicted black eye, and this Government seems to insist on making it harder and harder. Instead of controlling the cost of government, we see increased spending and increased taxing. The Government has been perhaps mislabelled as a "Tax and Spend" Government in the past. I would allege that they are a "Spend and Tax" Government—spend first and then we will tax later and try to figure out how to cover it.

We have seen the letter from ABIC which was sent around to Senator Jardine. I am not sure if anyone else received it. I did not. But the fact that ABIC is coming out . . . they are not directly affected by this policy in the sense that they are offering private insurance in Bermuda to employees and they are seeing their market taken away. So, it is not like they have a dog in this fight, but rather, they see what this does to the cost of doing business in Bermuda. It transfers that negative risk and we are not seeing those savings passed on anywhere. It is simply Government passing off \$20 million, but they have not said who the savings are going to be passed on to.

Are we going to see less taxes? Are we going to see a surplus of \$20 million at the end of the year? Because none of this was contemplated in the budget we debated so recently.

We hear talk about efficiencies and better controls at the BHB, but not one thing has been articulated about what these efficiencies are and why could not these efficiencies have been done without doing this change. If the BHB can better control their costs, as I said, controlling the cost of the inputs is one of the major levers. If they can now, all of a sudden, magically control their costs and find efficiencies, why could not this have been done in the absence of this Bill? This Bill is a half-baked measure. And Senator Simmons said it more politely, but it is neither one nor the other. It is a halfway measure and it really does nothing to improve the system.

We talk about transparency and this kind of thing. As I said, the fact that the actuary report was released after the House debated it; the fact that BHB's accounts are published only through 2014; the fact that the report was abridged, too. I mean, we should be having fully anonymised health usage data published and put out to public, so that people can engage with this information, engage with one of the major challenges that Bermuda has to deal with. We can actually get some constructive, collaborative solutions, not just on a bipartisan level, but on a community engagement level. Instead, we are getting this stuff shoved down our throat with a Government that likes

to throw around its majority in Parliament like it is some kind of weapon. We need time for these things to be considered, debated wholesomely, and for the community to engage with the problem and the solution in a transparent manner.

What exactly is the math? We have heard these vague one- or two-tiered solutions for national health care. But it is all very vague stuff. And this first move that has come out in a very rushed and seemingly, kind of, unsubstantiated manner does not fix any of the things that we heard Senator Richardson speak to in his opening remarks. All these lofty ideals about universal cover sound great. But they have nothing to do with this Bill at hand. We are hearing the fluff, but then we are reading the substance and there is a bridge between them that I cannot connect.

We look at the increased spending at the Government level and it makes me question how all of a sudden the BHB is going to move in a completely opposed direction from Government's direction on cost control.

So, I struggle to see how this Bill is going actually do any cost containment. We look at the claims history between the private and the public pools, and as I said, part of that is the demographic, yes. But a strong part could also be that the private sector has to respond to its shareholders. They must find efficiencies; they need to scrutinise the claims that are being sent to them. If they are miscoded or if there are overcharges, they will push back because they need to manage the claims history of the pools of their clients.

We talk about the uninsured and the underinsured. It has come up in a number of Senators' speeches, that approximate number, 6,000. And, again, this Bill does nothing to address that. We have heard solutions of the private sector insurers sharing that load. Quite frankly, I think it should be shared by all of the plans, including the government ones. But there are solutions, and again, we all seem to want this affordable, basic, universal health care. But the question is: How?

How is going to be delivered? How is it going to be executed? What system, what model do we trust to deliver better outcomes? And I am not wed to one or the other, but from an economic standpoint I would like to see some cogent arguments put forward so that we can engage wholesomely on this.

I have already spoken about the control of costs, of overuse, of unnecessary services, of self-referral. In certain instances, it feels like we have the fox guarding the henhouse, when you have GPs [general practitioners] setting the oversight for the Health Council which oversees the GPs and the specialists, that kind of thing. It feels like it is not an independent system that is going to drive for some of these radical cost-containment changes that this health system needs.

Again, we have talked about the transparency, the BHB accounts that are woefully delayed on

their website, the need for anonymised usage data on a national level (call it a registry or just a purge data dump) so that people can engage and see where the trending goes, see what areas are being used on a per capita basis, on a per service basis, and compare that to other baskets of health goods in other jurisdictions. I mean, there are plenty of people who run big numbers here in Bermuda. We probably have the most actuaries per capita in the world. And the public needs to be made a part of this challenge and the solution. But this fashion that we are seeing, this neither-here-nor-there-solution railroaded through just does not sit well with me, Madam President.

We need more people to pay for our ageing demographic, and I would like to know, what is the PLP's plan to grow our residential population or to actually curb the cost?

We have heard in the presentation from the Government Senator that we are moving the hospital from a fee-for-service to a block grant model. And I hear his argument that fee-for-service could lead to administrators driving unnecessary costs to get in more revenue. I cannot understand, but I could see where the temptation comes from certain bad actors in the private sector who run for-profit businesses where they would want to do that. But, I am struggling to see that we would have administrators of a public institution doing that kind of excess fee generation for something that they are not profiting from. But if this is what the Government believes the hospital was doing, then so be it.

Let's talk about the effects of a block grant. If the services needed at the hospital exceed the block grant, they are either going to have to receive supplementals from somewhere or, to fit within their block grant, they are going to have to start offering less hours, lower quality product, et cetera, et cetera; which is the standard thing with this kind of funding shift. You also lose the incentive for people to manage their own usage. If I am in a relatively small insured pool at my job and we all meaningfully take steps in our lives to use the hospital less, we see that reflected back in lower premiums from our insurer due to our claims history. Because that is being taken away, there is no incentive now to curb usage at the hospital.

The other question I have when we talk about the efficiencies of the model is, Why not collect the whole standard premium? This silly little 10 per cent of the SHB, the \$23 out of \$355, is being left with the private insurers to manage claims from all the non-hospital community health benefits that are included in the SHB. And if the hospital starts to curb its usage or increase wait times because of its block grant, we can see the potential for those services in the non-hospital portion to skew upwards from the historical trends.

We also saw, I believe it was Senator Jardine, who highlighted in the actuary report what the claims history for some of these non-hospital things were,

like diagnostic imaging. And I believe that the rate quoted was from 2017 (and I welcome to be corrected here) was when there were some cost-containment measures put in place by the OBA administration to curb those costs. So, if we are basing our forward premium based on a year when there was historically low usage due to the curbing, we can also see the potential for claims on that non-hospital portion to skew wildly upwards. And that risk . . . for those people who have comprehensive plans, you can understand how insurers would easily pass that on into the rest of the pool with the comprehensive stuff. So, why doesn't Government just collect this whole Standard Premium Rate entirely, and manage that 10 per cent? If they are confident that this \$25 is going to cover the non-hospital portion, why don't they just take the whole Standard Premium Rate? We are talking about finding efficiencies in the system and we are vilifying the private insurance companies, but Government still wants them to collect all this money, pay it promptly on time. It is very convenient to receive three cheques a month as opposed to 3,000 from all the employers out there.

And it is easy to make it look like it is the insurance companies that are expensive, when they are just collecting a tax now on government's behalf, because this premium has been converted into a tax. Obviously, Government does not want people to see on their pay cheque that we are getting a Standard Hospital Tax or Standard Health Tax. It is more convenient to say it is a health insurance deduction from the insurance companies.

This same sleight of hand gamesmanship was used with the financial services tax, where it was set out, *We are putting the tax up, but insurers must bear this burden*. It just becomes a cost of business. It will get passed on with an increased premium. What Government did not want to see on your invoice from the insurance company was your premium on a separate line showing how much you are paying in tax. All this stuff is just high-level balance sheet sleight of hand. There is no savings actually going into the system, Madam President.

We look at government management versus government regulation. Quite frankly, I would be much more comfortable, and many people I have spoken to have, with seeing some level of regulation. The hospital is what? Some 46 per cent of the total spend in the country. The other 60 per cent (so more than half) is outside of the hospital. Where are we going to start seeing some regulation on fees, on self-referrals, on this kind of stuff?

The actual management of it does not fill me with a whole lot of joy. And the Premier's recent comments at the House of Assembly that they are coming after pensions next scares the bejesus out of me. I have seen how much of a meal was made of the sugar tax. We hear about the lofty intentions about what it is meant to achieve, but when you look at the way it

was crafted, it does not do anything to provide these behavioural economic goals that are stated in the preamble. So, all these things concern me.

I mentioned before about one of the reasons why the private and public pools have different claims rates, and it is demographics. But I would contend that it is also [because] there is far better scrutiny on the claims in the private sector pools.

And again, we look at this kind of pattern emerging with some of these health care reforms. We hear a lot of talk about "transformational" and "transparency" and all these lovely buzz words. But when you look at the actual actions and the way the things are being implemented, it makes you ask the question, What is being hidden? This Bill is being super rushed; the actuarial report was not released publicly until after the House debate. We have seen what went down with the former head of the Bermuda Health Council. We have seen the pay outs to the politically connected private sector providers after the regulations to contain costs were done under the previous administration. We see even here today that we are being forced to pass these things in illogically rushed timelines. There seems to be no appetite for scrutiny.

We have now had five speakers today, Madam President, besides the opening statement, and despite the usual norms of, certainly, high school level debate and debate in another place, where you see an alternation between the various representative groups in the House, so that you can have some wholesome presentation and rebuttal, the Government seems to have passed on their opportunities to engage in this alternating fashion. I am assuming they are all going to have something to say, but they want to hear one in a row as a bit of a self-supporting echo chamber.

We all understand that we need change here in health insurance. Change, yes. But in what direction, in what way, and do we want it to be piecemeal without a clear understanding of the path forward? I think that about gets . . . I am not sure where my time is, Madam President. I should have been watching the clock a little bit better.

The President: No, you are fine with time.

Sen. Nicholas Kempe: But that was the crux of my concerns here. I believe this is a rushed, half-developed measure that does not actually deal with any of the fundamental drivers of health costs in this country, and I do not support this Bill, Madam President.

Thank you.

ANNOUNCEMENT BY THE PRESIDENT

SENATE VISITOR

The President: Thank you, Senator Kempe.

And before I go onto another Senator, I would just like to acknowledge the presence of the Honourable Walter Roban, Deputy Premier.

[Health Insurance Amendment Act 2019, second reading debate, continuing]

The President: Would any other Senator care to speak? Minister, sorry.

Sen. Vance Campbell: Thank you, Madam President. I won't speak long.

We have heard from many Senators and several of them have indicated that this Bill does not deal with the creation of a universal health care system, it does not address certain costs. But if I could go and read from the Bill itself, Madam President, as to what the purpose is?

The President: You certainly may.

Sen. Vance Campbell: It says: "to provide for a new method of funding hospital treatment provided by the Bermuda Hospitals Board in respect of standard health benefit."

That is the purpose of this Bill, Madam President. And anyone listening in today, or sitting around this table should know that this is what is being proposed—a new method of funding hospital treatment provided by the Bermuda Hospitals Board. It does not claim . . . that is it; it stops there. It does not claim to address certain costs. It does not claim to create a universal health care system. [It is] simply to change the method of funding hospital treatment provided by the Bermuda Hospitals Board in respect of standard health benefit.

Madam President, can I read from the statement made by a Senator Richardson earlier?

The President: Yes, you may, Senator Campbell.

Sen. Vance Campbell: He said, "Madam President, the purpose of this Bill is to streamline the way Bermuda funds its only hospital in order to control health costs, and make the necessary amendments to effect this through updates to the Standard Premium Rate and the Mutual Re-insurance Fund."

However, he did say this was a first step. A first step. He did not say it was the complete thing; he said it was a first step.

Let's look at the *status quo*, because we might have some upset people, because the *status quo* is being changed by this Bill, well, one part of the *status quo*. We heard earlier, Madam President, that our current spend on health care is over \$720 million. But we are not living as long as we should with that amount of money being spent on health care. We are knee-deep in chronic illness and waist-high in health risks. That was how it was put by Senator Richardson. We are

eating more [and] exercising less. We are treating more and not preventing enough. And we are spending \$2 million per day on health care. That is the *status quo*.

No one has argued with that. That is the *status quo*. They have argued, in my opinion, Madam President, to preserve that *status quo*.

We have heard "tinkering" [and] "reckless abandon to which this Bill was approached." We have heard "rushed." This Bill with its purpose, as stated earlier, is the result of the input of highly qualified individuals. It is not a result of "tinkering" or "reckless abandon." We have three of those individuals, highly qualified individuals, in this room right now, Madam President. And we are reducing their work to "reckless abandon" and "tinkering" and "a rushed job"? They have professional standards that they have to meet in the conduct of their day-to-day duties.

We heard from another Senator that, *You do not build a foundation and then decide on what the rest of the house is going to be*. That is fine and dandy when you are building a house from scratch. We have a house that is built, and it is on fire, Madam President. And should we then wait until we know what we are going to do after we put out the fire before we actually put out the fire? That is what I get from that analogy. It is better to wait until we know what we are going to do after the fire before we start to put out the fire.

This is a first step. This is putting out part of the fire. We can work on the other phases that we know need work, but you have to make a first step. When I came here today, Madam President, I took a first step followed by a second step, that is how I am here. I did not take one step and [then I was] here. This is a first step.

We have heard comparisons between the experience in the private sector versus the BHB. You cannot compare the experience. Those who may reference it know that you cannot make that comparison, because the Government is obligated to subsidise, whereas the private sector is not. The Government has an obligation to its citizens to look after them; the private sector does not.

We have heard, Madam President, about the 6,000 or so uninsured or underinsured and how the existing or private sector insurance companies would have liked the opportunity to put a proposal together to collaborate on the underwriting of the cost of providing these 6,000 or so individuals with some form of health care. Rest assured, Madam President, that it is only as a result of the changes that this Government has proposed. These insurance companies have been in existence for 40, 50-plus years. Nothing was stopping them from collaborating amongst each other and putting a proposal together for the Government to take care of the vulnerable people of this country. They did not, because the sole purpose was profit.

They want to reduce their costs. They never reduced their premiums.

We heard how some of these insurance companies put together these wellness programmes. I think that is great. I think it is. We all need to be healthy. This country needs to be healthy, but let's not be fooled. The purpose was to reduce their individual costs. Healthier people who are paying premiums to them are not going to claim on those premiums as much.

So they increase and improve their bottom line. It was never linked with *if you do this, then we will reduce the insurance premium*. So you win on both occasions—you are healthier and your insurance premiums go down. No. It was designed to reduce their loss experience.

We have heard how Government . . . this Bill is just changing the method of funding hospital treatment provided by the Bermuda Hospitals Board. It has not changed the Standard Premium Rate, that has not gone up. But somehow . . . we heard today that Government is increasing the burden on the average Bermudian.

The rate has not changed, Madam President, but when we dig deeper, if the rate goes up we find out why, do we not? The insurance companies—

POINT OF ORDER

Sen. Nicholas Kempe: Point of order, Madam President. The Member may be inadvertently quoting, I certainly never said the “average” Bermudian, but the “working class” Bermudian. There is a big demographic difference, Madam President.

The President: Senator Campbell, continue.

Sen. Vance Campbell: Madam President, I was not directly quoting anyone, but we have heard terms used—“Bermudians,” “average Bermudians,” “Mr. and Mrs. Bermudian,” Mister . . . you know, the “John Q. Public”—whatever you want to call it. We have heard today where the statement was made that the Government is increasing the burden on them as a result of this Bill, a Bill designed to provide for a new method of funding hospital treatment provided by the Bermuda Hospitals Board in respect of the Standard Health Benefit. I cannot say that enough because a whole lot has been attributed to this Bill, but that is the only purpose.

So, the Standard Premium Rate has not increased as a result of this, but yet, Government is accused of increasing the burden on Bermudians. How is that? Is that acceptable?

It is the insurance company . . . if you have an increase in the insurance rate after this Bill it is because the insurance companies, looking to their bottom line, have raised their portion—the portion that they control—of the overall premium that individuals

pay, Madam President, not what this Bill is doing here today.

With that, Madam President, I will finish by just advising Senator Simmons that P&C stands for “property and casualty.”

Sen. Michelle Simmons: Thank you.

Sen. Vance Campbell: Thank you, Madam President.

The President: Thank you, Senator Campbell.

Would any other Senator care to speak?
Senator Hayward, you have the floor.

Sen. Jason Hayward: Good afternoon, Madam President.

The President: Good afternoon to you.

Sen. Jason Hayward: The Government's ultimate aim is to improve access to outcomes and control costs.

The President: Mm-hmm.

Sen. Jason Hayward: That is what the Government's aim is.

We do have a number of steps that we will embark on, measured steps, to get us to a place where we have improved access, outcomes and controlled costs.

Step 1—Reform the health financing system. And we have options, whether we are going to move forward with a unified system or dual system. In addition to Step 1, there is another component, and that is reform the Standard Health Benefit or minimum package to cover prevention and primary care. That is the portion that we are actually discussing today. That is a part of Step 1.

And so we will have further decisions we will have to make. We will have to determine if we are going to move down the road of a dual or unified system. Much consultation has already been had with insurers, with health care providers. I was part of those consultation meetings. Individuals had an opportunity, even after the consultation meetings, to submit their feedback. Those meetings were facilitated by the Bermuda Health Council.

What we will do then is share with the public the proposed new basic plan or new Standard Health Benefit and consult widely on what it should include and what is affordable.

We consult when and where necessary. We do not do things absent of consultation. We, as elected officials and appointed officials, are not the experts in the health care industry. We do not sit in a caucus room and determine what the Standard Health Benefit will be, because we are not the experts. We have to

consult the experts in order to have informed dialogue to inform our decisions moving forward.

But we will also build the infrastructure to implement the unified or dual system with the new basic package. After that we will roll out implementation to ensure universal coverage for a three-year period, and we will continuously add benefits to the plan that we roll out. That is all part of Step 1. That is the process we are currently engaged in now.

Step 1A and Step 1B are happening simultaneously.

Step 2—Update the Bermuda Health Strategy 2014 to 2019 to renew and refresh a unified vision of health to improve health outcomes and health costs.

Step 3—Improve controls to help fees and health care provisions.

That is the process that we will follow to ensure that we improve access, outcomes and control costs moving forward. We need that process in place because we recognise our current system is not desirable.

Madam President, at the end of January of this year the Bermuda Health Council published data on the Island's health system costs for the fiscal year ending 31 March 2017. Bermuda National Health Accounts report, this is what the report is actually [called].

It speaks to health funding and health care expenditure. In 2017 (the year in which the latest data has been reported) health care costs went up by \$20 million to \$723 million. That put us third in the world regarding health care spending per person.

I know there is talk to say if we moved to universal health coverage where we will ensure that everybody has access to quality and affordable health care, how will we pay for it? Will we need to raise taxes?

I believe and we believe that there is enough money in our current system to ensure that everybody has access to affordable and quality health care. But the way in which the funding is allocated, and also the way expenditures are allocated creates difficulties. And people are getting left behind. People who do not have access to quality and affordable health care as it currently stands. But we believe there is enough money in the system so that everybody can have access.

Those reports also showed us, Madam President, that while financing from private insurance declined, their revenues increased during the same period. So fewer individuals were reliant on private insurance to fund their health care, but the insurance companies' profits—or revenues, I should say, in this case—increased during that same period.

Madam President, the report revealed that more people are now paying for health care out of pocket. That number was up 23.3 per cent. And more people are paying for health care from donations. That number was up 47.5 per cent. These figures should cause alarm to us all, Madam President.

Madam President, all residents should have access to basic health insurance coverage. Health care coverage contributions should be affordable, and all residents should have access to quality health care services. That is the end game. We are on the journey.

I appreciate that up until this point, to some it has not been clear, the steps we were following, what the overall reform looks like, how this piece that we are doing today ties into the larger puzzle. But it does tie into a larger puzzle. We are not making this step in isolation, because if we make this step and nothing improves, what are we spending time debating here for?

But we know that this is a critical step in getting us to our end game. As a result, we will ensure that we provide the public with the knowledge that is necessary so that they are not left behind on the journey that we are embarking on.

And Madam President, the train has left the station, because the need currently exists within our community to change our broken system.

Madam President, we need to find ways to address chronic disease, ageing, and high health care costs. And the reform steps I outlined seek to tackle that. We need to change the way we pay for health care through health care financing reform. This is part of changing the way we pay for health care. This Bill represents part of our health care financing reform journey.

Madam President, to be clear, what this Bill does is: (1) reduce the cost to the public of hospital services; (2) it reduces dialysis fees; (3) it reduces costs needed to transfer to HID; (4) it reduces costs of multi-business claims adjudication; and (5) it adds investment for long-term savings for chronic disease care. That is what this Bill seeks to do. It is not taking money from one pool and just putting it in another pool. It has outcomes and aims that will improve the lives of individuals.

Health care cannot be viewed just from the lens of whether my health insurance premium goes up or down. It cannot be viewed from that isolated lens. We have seen cases where the Government has reduced health costs and premiums still went up. The previous administration reduced the rate by roughly around \$4.00. Health care costs did not go down simultaneously. Health care costs continuously went up. We are keeping the rate the same. Health care costs are still going up.

See, it is this narrative that is being formed that somehow the Government is driving up health care costs. But what is really driving up health care costs are chronic disease and our ageing population. Had the Government not done what it is doing now, we would have seen the rate that was recommended by the actuaries go up some \$80. What would have been the outcry from the community then? If we do nothing, the rate goes up and health insurance costs

go up. We contain the cost, we put measures in place so it does not rise and health care costs still go up.

And so this is why the whole journey we are on is important, understanding that we recognise that this is one piece of the puzzle. To persons that do not understand the complete vision, it may seem like an irrelevant, seamless, un-sensible piece of the puzzle, they are not sure where this piece actually fits. But we are clear, as I said a minute ago, about what the Bill actually does.

Madam President, we rely on the advice of actuaries. To say that there is no consultation, as if the Government caucus sat in a room and conjured up this great idea on our own to discuss alternative financing for the hospital is pie-in-the-sky type of thinking. Why do we have a Health Council? Why do we have technical officers in the Ministry of Health? They study health care systems, they study health care policy, they study health care strategy, and they provide us with the technical advice. We then determine what we believe is in the best interests of the people that entrusted us to lead.

How did we get to a number of \$330 [million] that will go to the hospital? Madam President, it was not a number that we just plucked out of the sky—\$330 million. It was not a number that we plucked out of the sky. In order to determine if the number was reasonable or not we would have had to have had adequate consultation with BHB. We would have to have seen what they had spent in previous years. I appreciate that the audited reports are not completed, but that does not mean that they do not have income and expenditure records. We all go through a process . . . or an audit is a greater process than [just] you knowing what your financial data is.

And so we have had that adequate consultation, Madam President. There has been ongoing consultation with insurance companies. Health care financing reform . . . those consultation meetings took place. The insurers were in the room. The insurers are well aware of the path that we are heading down. But you have to appreciate that they operate with a different mandate than the Government and so, naturally, there is going to be pushback.

First and foremost, change is not always readily accepted in this country—that is number one. But change that disrupts a system that [has been] in place uninterrupted for decades is not going to be palatable to some. Like Senator Campbell spoke about, now we hear proposals in terms of how insurers can work collectively together to provide insurance for all those who are unemployed . . . or uninsured. It sounds noble, but nothing prevents those insurers from putting a proposal to this Government.

I was a little taken aback that Senator Jardine could read a letter that was presented to him by our business community. The same business community could have written directly to the Government. And then read a redacted letter? It does not speak to the

form full scope and nature of what their concerns actually are, because I wonder if the business community had been writing letters to the insurance companies all this time, because this particular Bill does not swing Bermuda rates out of whack. Bermuda's health insurance costs have been—

Sen. Nicholas Kempe: Point of order, Madam President.

The President: Senator Kempe, what is your point of order?

Sen. Nicholas Kempe: The Member may be inadvertently misleading the House. Can he categorically say that these groups have not written the Government?

The President: That is not a point of order. Senator Hayward, continue.

Sen. Jason Hayward: Because health insurance costs in Bermuda, Madam President, have been sky . . . unaffordable for years. They have not just been unaffordable for years; they have been a bit discriminatory—health insurers—whether you have a pre-condition, whether you are a senior. You would be shocked to know that some seniors receive letters regarding their insurance package to say that insurers will no longer cover eye care and dental. And if they want that coverage, all of a sudden they have to pay a greater rate now. When those individuals need that coverage most, they are being provided with these letters.

Our current system is broken. Health care has been one of the top three concerns and health care costs has been one of the top three concerns in this country for over a decade now. We are attempting to do something about it. We cannot sit back and continue to operate as “business as usual.”

Madam President, Senator Jardine asked the question: Does this change mean that the uninsured can now just go to the hospital and receive services? I ask the question now, Madam President: Should the uninsured be excluded from receiving health care services? And if they should not be excluded, then yes, they should be able to walk into the hospital and receive service, because that means they will not be able to receive service from anywhere else.

And so when we look at the big picture, at the end of the day, we want to improve health outcomes, access, we want to ensure that we control costs, we want to ensure that our people have access to affordable and quality health care, Madam President.

Thank you.

The President: Thank you, Senator Hayward.

Does any other person . . . I think everyone has spoken.

I just would like to say, Senators, that you have given a robust debate today on this Health Bill. And I would just like to say that we do have expertise in the room in the persons of the Permanent Secretary Dr. Attride-Stirling. We also have it, of course, in Dr. Ricky Brathwaite. And we also have the Parliamentary Counsel. And I am sure the concerns and questions that have been raised can be answered by them through Senator Richardson.

So I would just like to hand over now to Senator Richardson so he can address some of the concerns. And I am not denying the fact that I, as a health care person, have been really stirred by this robust debate today because the concerns which were raised around this table have been a concern of mine over many years of working in the field.

So, Senator Richardson, I hand over to you.

Sen. Anthony Richardson: Good afternoon, Madam President.

The President: Good afternoon to you.

Sen. Anthony Richardson: And, again, fellow Senators and the listening audience.

What has been interesting, to be honest, Madam President, is that we have been at this for several hours—

The President: Mm-hmm.

Sen. Anthony Richardson: —and many persons from my summary here have made statements and given opinion, but there have not been that many questions asked, to be honest.

But what I will try to do is I will go through those [questions] that we believe were asked and provide commentary and then give a wrap-up for my comments and then we can hopefully proceed.

And so what I will do is . . . in no particular order, but I believe Senator Jones did speak first and one of his comments was in terms of affordability in the whole health system. And I just wanted to let you know that the health system required \$209 million last year to pay for the Standard Health Benefit and the Mutual Re-insurance Fund services, and the actuary noted that it would cost an additional \$49 million to fund the same benefits this year. And that speaks to many comments today in terms of *why now?*

There is an urgency of “now” in terms of . . . there had to be some adjustment to the funding within the system in order for it to move forward. And so the Government had to either accept what the actuary recommended and, therefore, increase payments (which would have been significantly higher than we all had anticipated), or do nothing, which would have meant that if the hospital was still funded on the same basis, there would have been a substantial shortfall. So we could not sit still and tread water.

You made a comment in terms of shifting . . . and the Government actually putting the same amount into the system remembering that those that are in the Health Insurance Department are putting in what they can afford, which has always been the case. There is no real change from that perspective.

You made the comment in terms of service providers . . . I guess I want to be polite, but . . . I will separate this comment just as a general comment. I think that some of the comments that have been made today also demonstrate for us, collectively, that there is some misunderstanding as to the whole process.

I just want to clarify that when it comes to the Standard Health Benefit programme, it primarily refers to services that are provided at the hospital or outside the hospital with approved providers. So, therefore, it is not this free-for-all whereby I go anywhere and get a service that is covered under this whole thing that we are talking about because, again, primarily, if, for example, the hospital offers all their services, but if I want to offer them in the community, I have to actually apply to the Health Council to be an approved provider of that service. And then, once that is done, I can then provide the service. But remember the cost for those services are still regulated by the Health Council, so there is some containment in terms of the costs of the services which are provided.

And so you gave an example before in terms of you going to your GP [general practitioner] and there being the tremendous variance in terms of costs and that is because . . . I am making an assumption now that the services that you were engaged in were not Standard Health Benefits.

So, therefore, the general practitioner, or whoever you went to, can charge whatever they choose, which is entirely a private contract between the health care provider and you as the health care consumer . . . manage those through the insurance programme.

Sen. Marcus Jones: Sorry, Madam President.

POINT OF CLARIFICATION

Sen. Marcus Jones: Sorry, point of clarification. In relation to the comments that I made in regard to like services between two different systems, the example I used was going to a physician.

Sen. Anthony Richardson: So, Madam President, I think the same thing applies then in terms of if Senator Jones goes to a health provider and says, *I want to get a physical*, and I do the same thing to a different provider, what they determine as necessary for me versus him is different and, therefore, you will get different services, again, depending on the provider. And if you think about it, you would know, Madam President, it would be things such as, What do I present as

my health profile effectively? And then they will do services based upon that.

Madam President, Senator Jones also spoke about the loss ratios. And what is interesting in this overall process is that in going through the brief, the civil service professionals (I want to call them) do provide information. And what is interesting, which I think is for everybody's benefit, because I do not think we fully understood this (myself included), is that the information that I have before me speaks to the overall pool of money that is comprised in the Standard Health Benefit system, if you want, and then it breaks down the loss ratios between the private sector and the public sector.

And so, roughly speaking, in the private sector the loss ratio has been about 80 per cent, sometimes it is as high as 93 [per cent], but 80 per cent all the way through. Whereas, in the public [sector], it has been about 130 per cent, give or take. But overall, the loss ratios have been between 96 per cent . . . say 96, 98, 90, 94 and 106, which really means that in its totality, there is enough money raised as Standard Health Premiums to pay almost all of the Standard Health Benefits.

And so, in large measure, if the system works correctly, all the funds raised for this purpose will be paid for the appropriate purpose and, therefore, the system will actually end up at a net zero, which is a proper balance, which is what you would expect. I mean you may want the loss ratio to be a little bit less than 100 per cent, however, in this context the system is providing enough money to cover all of the benefits.

Madam President, again, we were given a reference to Google when it comes to the health context. And, clearly, you know, Google is not an appropriate source for these things. I think we all understand that Google is based upon algorithms and you would be surprised in terms of how, as a system, you can actually manipulate what Google will spit out. I will not give an example. Sometimes there are things you could imagine you put something in and the result is altogether different.

So, when it comes to the professional administration research and management of the health system, of course, the appropriate references would be . . . as a set, I suppose, the Royal Health Organisation, the OECD, the Royal Bank, and international . . . other standards. And so, certainly, Google is not the appropriate reference point for any comments in this context.

There was also a comment in terms of the relative efficiency of the insurance companies versus some of the public plans. And to clarify, the [GEHI]-[Government Employee Health Insurance] is actually operated separately from the Health Insurance Department. And so, yes, we do know (I know, we all know, I believe) that when it comes to [GEHI] there are some delays in terms of payments. But that does not cover the entirety of the public plans which are run

by the Health Insurance Department. So we need to be mindful of that.

Senator Jardine, you referenced the idea, if my memory serves correctly, that the amount that is left in the insurers' hands of the Standard Health Premium will be to cover all of the Standard Health Benefits that are performed outside of the hospital. And I have been advised that if you look at page 25 of the actuarial report, Appendix 3, it does, in fact, have the breakdown for our general information.

Sen. James S. Jardine: Point of clarification.

POINT OF CLARIFICATION

Sen. James S. Jardine: Point of clarification, if I may, Madam President.

I think what I was saying specifically is that under the new scheme, the new rating, there is \$17.78 left for the insurers to deal with diagnostic imaging, and I referred to a page in the 2017 Actuarial Report which said the total for diagnostic imaging was something like \$37 million.

Sen. Anthony Richardson: Mm-hmm.

Sen. James S. Jardine: And then I think in 2018 it fell to \$24 million. That really was the reference.

Sen. Anthony Richardson: Right.

Sen. James S. Jardine: But I clarified it also by saying that I do not know what portion of that \$37 million or that \$24 million would actually fall to the account of the insurers because I did not have that information.

Sen. Anthony Richardson: Thank you, Madam President.

The President: Mm-hmm.

Sen. Anthony Richardson: And clearly, it is important to have good information when we are having these sorts of conversations.

There was a comment from Senator Jardine in terms of, *How did we get to the \$50 allocation?* And I think it was a general mathematical calculation in terms of if the loss ratio is 80 per cent, then the 20 per cent, what is that based upon the premiums? That is where that came from.

Sen. James S. Jardine: Point of clarification, again.

Sen. Anthony Richardson: Sure.

POINT OF CLARIFICATION

Sen. James S. Jardine: I think, Madam President, what I was getting at is that the pie chart we got at the

town hall meeting on Thursday showed it as a component of the Standard Health Premium, and it not really a component of the Standard Health Premium because two of the numbers that were quoted there, I believe, was about \$101 in each of two cases and then it just had this amount of \$50 for administration and profit. The only other charge in there is something for emergency services, which was \$52, and that makes up the \$355.

So, I mean, I understand what I think was trying to be achieved by presenting that pie chart. But it was somewhat misleading in that it did not show the correct composition, at this point in time, under the current scheme, for the Standard Health Premium rate detail.

I mean, I understand, at the end of the day, as I explained in my comments, that there is about a 20 per cent contribution after claims for the private plans, which will now go to the hospital.

Thank you, Madam President.

The President: Thank you.

Sen. Anthony Richardson: Sure, and without going back and forth, just to clarify, it is that the . . . we accept . . . well, the general information is that there is an 80 per cent loss ratio for the private insurance, which means there is 20 per cent left over, and then that 20 per cent, multiplied by the Standard Health Benefit Premium, less the portion that goes to the Mutual Re-insurance Fund, that is where the \$50 reference came from.

But, again, thank you. We certainly want to make sure that we are as clear as possible.

There was commentary in terms of the lack of currency with respect to the Bermuda Hospitals Board's finances. I believe they were presented as 2014, and Minister Wilson did talk about what steps are going to be taken to ensure that they become more current because, of course, it is important for us to have current information.

Madam President, as a general commentary to wrap up the discussion, I want to say, again, that I find this process to be quite interesting. Clearly, we have the Government Senators, the Opposition Senators and the Independent Senators, and we are charged with understanding what is being proposed, sometimes doing collective, otherwise independent, research. And for me it has been very interesting to go through this process—

Sen. Marcus Jones: Point of clarification, Madam President, or information.

The President: Do you accept the—

Sen. Anthony Richardson: Not now, I am on a roll—

The President: He is wrapping up.

Sen. Marcus Jones: The only reason why I am interjecting—

The President: He said no.

Sen. Marcus Jones: Oh, he said no?

The President: Yes.

Sen. Marcus Jones: Sorry.

The President: It is up to the person that you are speaking to say whether or not they accept the point of clarification. He does not.

Sen. Marcus Jones: He does not.

The President: He does not.

Sen. Marcus Jones: Thank you, Senator.

The President: Carry on, Senator Richardson.

Sen. Anthony Richardson: I was on a roll.

What I was saying was that as part of the process, you know, we come here I would say as teams, and we are responsible for doing our . . . sometimes collective research and sometimes independent. And in this process it was enlightening for me in my own perspective, I suppose, in terms of going back to my earlier history in terms of I previously worked in the Accountant General's Department and understood how GEHI worked, and I worked on the Hospitals Board, at the Health Council and otherwise. And some of this was—*Okay, Anthony, cast back in your mind how these things work*, so that I could, at least, have an appropriate appreciation myself for today's discussion.

And that is what I am trying to get at, that for me this was very interesting. And then, hearing the various comments today, it also, I think, does advance the discussion to, as best we can, make the information as clear as possible for the general public. Because in this context, even though I do not like the description, this is sometimes very technical information and I believe we have a responsibility to ensure that the average person can understand it. So I thank everybody for that process.

I want to emphasise again that a lot of the commentary has not been directly related to what we are doing today. What we are doing today is debating, discussing, and ultimately approving the Bill which talks about a change in funding for the Hospitals Board. That is what we are talking about. And there are many other comments being made which I would politely say, I guess, are extraneous, but that is the core of what we are doing today.

The Government has said that, based upon actuarial advice, in the absence of doing something

the rates would have increased quite significantly for everybody, and this is the step that Government is taking. There are other steps that are going to be taken in conjunction to reduce the overall health care costs.

Very succinctly, I suppose within any health care system you have people who are either sick, well, or somewhere in between. There is a process by which there is a policy put together, a policy of insurance, which is then rated. And then you get your services and those are being paid for. And what the Government is saying now, clearly, in the Bermudian context, one of the major participants in the health system is the Hospitals Board. And this is a way by which we will avoid an increase by taking this step. And that is what we are going to be doing here today.

Senator Hayward gave a good summary, I believe, of the various steps and clarified that there has been ongoing consultation in terms of what the Government's intent is and that, yes, there are several steps to be taken. And I think it is unfortunate if persons conclude that if there are five steps to be taken, you cannot take the first step. We have to understand that this is one step in a progression . . . for the general public's understanding.

There was a comment earlier, a general comment, in terms of, What is happening in the system to address utilisation? And, again, from experience the question around utilisation, in various aspects, has been addressed by various administrations, probably going back at least 30 years in terms of the original Health Insurance Council and many persons all the way through. There has always been discussion in terms of the primacy of the Hospitals Board, how services can be provided in the community, and the goal has always been to ensure that whatever transpires is reasonable.

There have been many discussions and studies to review the rates that are actually being used, what jurisdiction Bermuda uses as a reference point to inform us as to what the reimbursement rate should be, and so clearly there has always been a significant emphasis on monitoring and managing the utilisation within the health care system.

There were comments, both today and also during the debate on Friday, in terms of the ability for the insurers to receive the claims data from the hospital. And it was clarified that, yes, they will still get the claims data to allow them to continue to manage themselves internally. And so I think that is a very important point for health care providers and the general public that the detail that you require will still be given to your insurer.

And Senator Simmons, you mentioned that there was a previous policy whereby the Hospitals Board itself would track each person's utilisation of hospital-based services and then give them a statement. And you are right, because, once you receive it, you do have a reality check that says, *Oh, wow*. For

example, I went to the hospital 10 times this year for "X" reasons. And then it makes you, at that time in a summary document, think about how you can better manage your own circumstance, if that is the case.

Senator Jardine and others have mentioned that they were able to obtain certain information. And I want to commend Dr. Brathwaite and his team at the Health Council, and certainly the PS also, because they do put out quite a bit of information. To be truthful, sometimes it is almost overwhelming. And it is up to us individually to go and find the information and then take the time to understand it, because it does impact us. And, again, I do commend the BHeC for that. They give quite a bit of information.

On a somewhat refreshing note, we all claim to want to have unbiased information. And that is only going to come if all information is made available in whatever fashion. And so I almost want to say I take exception to the idea that there would be correspondence given to, in this case, "a" Senator without it being to "all" Senators, because there is a presumption that, I guess, the presumption would be then that there is a reason why, in this case, Senator Jardine, would receive it in the absence of others, assuming that others did not . . . I know I did not receive it, so let me put it that way, being more personal. I did not receive it.

And so I am very surprised that if there is the concern and it is a genuine concern, then that should be shared amongst all because no one knows what our individual and collective response will be to that. And so even to the public now I will say the same thing, to the extent that there is concern, write to everyone to ensure that there is full input.

With respect to the individual insurance companies, in my summary what they are appearing to say is that their premiums that relate to the Standard Health Benefit have, effectively, been subsidising their premiums for supplementary benefits. Because if you separate the three programmes—which would be the Standard Health Benefit programme, the MRF programme, and supplementary programme—and what the Government is doing, effectively, is saying, *Okay, fine, we are now going to require a larger portion of your Standard Health Benefit (or Standard Health Premiums) to be removed from your individual control*. It then means that what the insurers are left with is going to be their premiums that are tied to their supplementary benefits.

And based upon what has been in the public arena so far, it appears as if they are saying, *Well, our existing supplementary premiums are insufficient to fund our supplementary benefits and so, therefore, we need to substantially increase our supplementary benefit premiums to cover whatever*.

And many of us, I guess many of you, will accept this in terms of if you are going to say that your Standard Health Benefit pool—just for argument's sake—is \$20 million, and you need to now increase that by 25 per cent and you no longer have to take

care of the Standard Health Benefit, then that means that your supplementary benefits are the issue.

And I am saying now, in here and also for the public's consumption, that it will be interesting for the insurers (I think Senator Kempe referred to this as anonymously) to give us the information so that we will be better informed. Because I do have significant concerns in that in the public arena the narrative is that, based upon the Government making an adjustment in terms of the actual management, if you will, of the Standard Health Premium as having this major impact on my supplementary premiums, I would like to understand that. Because I think, again, that would significantly inform the public discussion.

Sen. Nicholas Kempe: Point of clarification, I guess.

The President: Will you accept it?

Sen. Anthony Richardson: I will take it, yes.

POINT OF CLARIFICATION

Sen. Nicholas Kempe: Yes, I think the situation that Senator Richardson was describing looks at the same problem or the same . . . kind of pools the money from the incorrect perspective.

It is not that the supplementals are insufficient; it is that the claims history of the hospital usage and the supplemental usage was being pooled by the insurance companies. And, on average, of the \$230 or so that the Government is now taking, the claims history was about \$175. So if that pooled claims history was priced out and offered to private sector clients in a competitive market, it was priced competitively.

Essentially, this move is fixing the claims rate at \$230 instead of \$175 or \$180. So it is effectively increasing by a de facto way the cost of that coverage for the hospital by about \$50 per person in the private sector—\$50 times 34,000 persons insured in the private sector is the \$20 million.

We are essentially going to transfer \$20 million worth of cost onto the private sector. That is why the total premium is going up. It is not that the supplemental was underpriced; it is that the insurers were not passing on a full \$230 to their clients. They were passing on their actual claims' history.

Sorry, I hope that helps.

Sen. Anthony Richardson: Madam President, I have got to say thank you, but I do not agree because, as I said earlier, the reality is that, based upon the information before me (which I have no reason to doubt) the total amount raised in Bermuda for the Standard Health Benefit programme is sufficient to cover all the claims. And so I will leave it at that.

But, again, I will restate my point that it will be interesting to inform the public by the . . . if the health insurers pooled the information around their premiums

segregated in those areas and then that was published . . . and I assume that will be something that will be done through the Health Council because, clearly, they will want to maintain their business secrets, if that is the right way to put it. Anyway, thank you.

And so, generally speaking, Madam President, I thank all those that played a part in preparing the brief. There is a huge amount of information that has been included. Again, I think that the discussion today has been quite interesting, but there still remains some information to be put into the public domain.

The Government has been very clear that their intent and the intent of this Bill is to change the way that the Hospitals Board is going to be funded for the next coming year. The information has already been disclosed that, in conjunction and consultation with the hospital, the number has been agreed—the \$330 million has been agreed—and we all know, or we already know, based upon public discussion already, that the hospital does have a \$65 million amount that is based upon prior reserves. And I believe it is accurate to say that the current estimate of \$330 million is that—an estimate. And, going forward, the actual results of the hospital's ability to operate within the \$330 million will be determined after the experience. And to the extent that it is not accurate this year, the \$65 million will act as an equaliser. And then, going forward, there will be more data upon which to base the future hospital budget.

So I think we should be in very good stead. With that, Madam President, I will conclude my wrap up.

The President: Are you going to do the second reading?

Sen. Anthony Richardson: I now move that Standing Order . . . oh, sorry, I now move, Madam President, that the Bill entitled the Health Insurance Amendment Act 2019 be read a second time.

The President: Is there any objection to that motion? No objection. Carry on, please, Senator Richardson.

[Motion carried: The Health Insurance Amendment Act 2019 was given a second reading.]

SUSPENSION OF STANDING ORDER 26

Sen. Anthony Richardson: Now, Madam President, I move that Standing Order 26 be suspended in respect of the Bill.

The President: Is there any objection to that motion? No objection. Carry on.

[Motion carried: Standing Order 26 suspended.]

Sen. Anthony Richardson: And now, Madam President, I move that the Bill be read a third time.

The President: Is there any objection to the third reading?

Three objections.

The Clerk: Standing Order 35 applies.

The President: Standing Order 35.

The Clerk: —in which case the third reading would be carried over to the next day of meeting.

[Crosstalk]

The Clerk: Well, we can move—

The President: Thirty-five?

The Clerk: Under the provision of Standing Order 77 you can move to suspend any rule.

SUSPENSION OF STANDING ORDER 35

Sen. Anthony Richardson: Madam President, I move that Standing Order 35 . . . that the appropriate rules be moved, or suspended, sorry, to allow us to proceed.

Thank you.

[Crosstalk]

The Clerk: So, under the provision of Standing Order 77 you move to suspend [Standing Order] 35.

Sen. Anthony Richardson: Thank you.

The President: Is there any objection to that motion?
No objection?
Same objection?
Three objections.

The Clerk: Okay, so we can vote on that motion.

[Pause]

The Clerk: Okay, so this is on the motion to suspend Standing Order 35.

[Crosstalk]

The President: I will read for you, then, Standing Order 35:

“A Bill having passed through the Committee of the whole Senate, or by leave of the Senate, having been read a second time without referral to the Committee of the whole Senate, may forthwith be read a third time and passed unless at least three Members

object to the motion for the third reading, in which case the third reading shall be deferred to the next day of meeting.”

However, there can be an objection to that.

The Clerk: Yes, so, once again, we are voting [on the motion] to suspend Standing Order 35.

DIVISION

[Suspension of Standing Order 35]

Ayes: 7

Sen. the Hon. K. L. Simmons
Sen. Anthony Richardson
Sen. Jason Hayward
Sen. Vance Campbell
Sen. Michelle Simmons
Sen. James S. Jardine
Sen. the Hon. J. E. Dillas-Wright

Nays: 3

Sen. Nicholas Kempe
Sen. Marcus Jones
Sen. Dwayne Robinson

Absent: 1

Sen. Crystal Caesar

The President: The vote is seven to three to suspend Standing Order 35.

[Motion carried by majority on division: Standing Order 35 was suspended in order to allow the third reading of the Health Insurance Amendment Act 2019.]

Sen. Anthony Richardson: Madam President?

The President: Yes?

BILL

THIRD READING

HEALTH INSURANCE AMENDMENT ACT 2019

Sen. Anthony Richardson: I now move that the Bill entitled the Health Insurance Amendment Act 2019 do now pass.

The President: Is there any objection to that motion?
No objection.
The Bill is passed.

[Motion carried: The Health Insurance Amendment Act 2019 was given a third reading and passed.]

The President: Thank you, Senator Richardson and thank you all Senators.

We will now move on to item 14.

MOTIONS

The President: There are none.

CONGRATULATORY AND/OR OBITUARY SPEECHES

The President: Would any Senator care to speak on that?

Senator Richardson, you can.

Sen. Anthony Richardson: Madam President, I want to add my congratulations to all of the graduates at the Bermuda College. I did attend last week, Wednesday, and I was thoroughly impressed—it was Wednesday and Thursday actually—I was thoroughly impressed because many of the students had personal testaments in terms of what they had overcome to get to that stage.

There were some who just had personal struggles in terms of they started, had to stop sometimes for financial reasons, otherwise just personal life circumstances, and then return to the fold to achieve. Some achieved, I want to say, greatness. And I really want to emphasise the success of the dual enrolment students who attend the Berkeley and also the CedarBridge.

And I was significantly impressed because there were at least three of those young people who actually achieved the highest grades at the Bermuda College, which meant that at that young age they had to transit between CedarBridge and Berkeley and Bermuda College, maintain effectively dual workloads required at their high schools and Bermuda College, and now have graduated the Bermuda College at a level to attend the third year of an overseas university before they graduated high school. And so that was a blessing for sure.

There are many who enrolled in a technical programme in terms of motor mechanics. And I should not say this, but I smiled also because there were several . . . we normally think of males in the technical side, motor mechanics, drafting, carpentry, all the rest of it. And I have to admit that I was pleasantly surprised that there were several females graduating from the technical side and one or two were actually deemed to be high achievers. And so it was just a pleasant, pleasant, opportunity to be there.

And I believe it would be appropriate to associate all Senators with those remarks and looking forward, really, to the various graduations and school leaving ceremonies that will occur between now and, I guess, the end of June.

So thank you, Madam President.

The President: Thank you, Senator Richardson.

Would any other Senator care to speak on the congratulatory and/or obituary speeches?

Senator Campbell, you have the floor.

Sen. Vance Campbell: Madam President, I would like to send out congratulations to the Senior Men's National Team. Now, that is the soccer team. Not only

did they qualify for Group A in the Nations League, but they also achieved the historic feat of qualifying for the Gold Cup for the first time ever. In a nation this size that is a tremendous achievement and we would like to congratulate them. Those who wish to go out and see them before they go off and embark on the adventure of the Gold Cup can see them this Saturday versus a select team from the Azores up at the National Stadium. I believe the game starts at 6:30 pm, but do not quote me on that.

Thank you, Madam President.

The President: Thank you, Senator Campbell.

I am sure the entire Senate body would associate themselves with your comments.

Would any other Senator care to speak?

No?

Then adjournment, Madam Attorney General, Kathy Lynn Simmons.

ADJOURNMENT

Sen. the Hon. Kathy Lynn Simmons: Thank you, Madam President.

I move that the Senate do now adjourn until Wednesday, June 5.

The President: Would any Senator care to speak on the motion to adjourn?

Sen. the Hon. Kathy Lynn Simmons: Madam President?

The President: Yes, do by all means, speak.

BERMUDA DAY

Sen. the Hon. Kathy Lynn Simmons: I guess it falls to me to wish all of our citizens and residents and visitors a happy Bermuda Day. We look forward to reconvening on the fifth after we have had some rest and festivity. And I wish you all on behalf of the Government, Senators, a happy holiday.

Thank you, Madam President.

The President: Thank you, Senator Kathy Lynn Simmons, Government Leader. We thank you for your presence today in spite of not feeling well, and we wish you a speedy recovery, as well as Senator Hayward. Thank you for your presence.

The Senate stands adjourned then until 5th of June.

Thank you all very much.

[At 4:17 pm, the Senate stood adjourned, until 10:00 am, Wednesday, 5 June 2019.]

[This page intentionally left blank.]