

A Compilation of Reports and Findings National Coalition for Health Care Reform June, 2008

Members of the National Coalition for Health Care Reform

Medical Association of The Bahamas
Bahamas Chamber of Commerce
National Congress of Trade Unions
Bahamas Hotel Association
National Tourism Development Board
Nassau Institute
Bahamas Small Business Association
Bahamas Employers Confederation
Bahamas Hotel Employers Association
Bahamas Dental Association
Bahamas Insurance Brokers Association
Bahamas General Insurance Association
Bahamas Motor Dealers Association
The Bahamas Manufacturers' Agents and Wholesalers Association
Grand Bahamas Chamber of Commerce
Doctors Hospital

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Executive Summary

When the Government of the Bahamas began discussions on National Health Insurance, a group of business persons came together and began to look into the viability and sustainability of such a program. This initiative quickly gained momentum and eventually moved to the formation of the National Coalition for Health Care Reform comprising the organizations listed above.

In early 2006, meetings with the then Minister of Health, Dr. Marcus Bethel, led to the group meeting on a regular basis then expanding to include other organizations with similar interest and concerns about National Health Insurance. With such a diverse make-up of organizations and various interests, it was important to establish an agreed set of priorities on which to focus that all parties could agree to. This resulted in the development of the Statement of Purpose which reflects a shared view of the group.

The Coalition realized that it was necessary to structure its efforts and present alternative solutions to the proposed NHI Plan so resources were secured to hire a local Consultant. The local Consultant was expected to review and evaluate documentation from a number of sources on the proposed NHI as well as examine other universal health care systems while outlining their strengths and weaknesses. The consultant was also to devise a survey and compile data from the Private Sector and provide information on the economic impact of NHI.

In August of 2006, the Coalition engaged the services of the Segal Group out of New York to conduct a survey to produce baseline data on scope of private insurance coverage locally as well as the cost impact of the proposed NHI plan. A summary of this survey is included as a part of this report.

In September, the Coalition decided to take its Statement of Purpose as well as the results of its research public. The press release outlines the make up of the Coalition, the Statement of Purpose as well as its Eight Guiding Principles. This was further enhanced with a number of public engagements ranging from letters to the editors, Talk Shows and Town Meetings in both Nassau and Grand Bahama.

In November, the public campaign was enhanced yet again with a five week campaign focused on three distinct market segments. This campaign included both print and radio media with a heavy focus on radio. Additionally, the Coalition launched its web based petition to bring more awareness to the proposed NHI plan and to encourage more persons to become engaged in the process. This petition secured over 3,600 respondents with numerous comments on their perception of the proposed plan. A section of this document is dedicated to a summary on the petition.

The legislation supporting the proposed NHI plan was tabled in November and the Coalition engaged the legal community to provide feedback on the proposed legislation. After feedback from the legal community, the Coalition requested the opportunity to meet with the framers of the legislation. This meeting took place with Justice Marques on December 14th 2006 however the concerns of the Coalition was not given much consideration and the bill was passed shortly afterwards.

About the very same time in December, the Coalition was asked by the Minister of Health to remove its campaign from the public domain with a commitment that the consultation with the Coalition would be deepened. This did not happen as promised and the Coalition charted a new course in February of 2007. Also in December, the Coalition obtained a copy of the ILO Report that was reported to provide support for the implementation of the National Health insurance scheme. The details of the report did not support the scheme and implied and the Coalition

In addition to its public appearances and research activities, the Coalition also produced newsletters that outlined their Eight Guiding Principles and these were distributed to a mailing list derived primarily from the online petition. This mailing list provided the Coalition and opportunity to convey its messages with approximately 3600 persons on this matter of great significance. The Coalition also participated in a Health Symposium held by the Bahamas chamber of Commerce where the panelists were Mr. J. Barrie Farrington, Dr. Stanley Lalta, Dr. Nadeem Esmail, Mr. Monty Braithwaite and Dr. Conville Brown. This symposium was to provide varied perspectives on possible Health Care solutions for the Bahamas.

After the change in Government, the Coalition made a courtesy call on the new Minister of Health; Dr. Hubert Minnis discuss the way forward under the new administration. The Minister indicated that he was willing to work with all stakeholders as the new Government begin to implement its plans for Health Care Reform and its objectives was to take a phased approach to reform. To date, the Coalition has yet to be engaged by the new Government as it relates to any current or future plans for Health Care.

The remainder of this document includes summary information on some of the activities of the Coalition, namely;

- The Statement of Purpose
- Summary on the results of the Segal Survey
- Summary on the report submitted by Nadeem Ismail on the Blue Ribbon Commission report (Executive Summary and Recommendations only)
- Summary on the online petition

Statement of Purpose

The National Coalition for Health Care Reform is a partnership of Bahamian citizens representing all sectors of society who are committed to improving health care services that truly incorporate the elements of the right of choice and equal access to health care services for all residents in the Bahamas; of equal importance in our endeavors is to establish a NHI plan that is financially viable and sustainable for many years to come.

The Coalition acknowledges that Government has always sought to make available affordable health care and for that purpose uses more than 15% of the national budget. The Coalition also recognizes that there is an ever-increasing need for improved and expanded health care and that Government is to be commended for taking the initiative to meet this most daunting challenge.

The Coalition unanimously supports the need for health care reform and restructuring.

The Coalition submits that health care reform in the Bahamas must reflect the following principles:

- I. **Upgrading the present health care infrastructure should be the first priority:** *The Bahamian health care system requires significant and sustained restructuring and reform which includes an upgrade to the physical, human and administrative infrastructure;*
- II. **All Bahamian Residents should have access to health care:** *Reform must improve and ensure access to primary, secondary and critical care for all Bahamian Residents;*
- III. **True and Meaningful Consultation and Consensus:** *Reform dictates that the principal stakeholders must be equitable partners in the articulation, development and execution for improvements to the health care system;*
- IV. **Detailed Breakdown of Benefits Under the System:** *The benefits of a national health care plan must be clearly defined and articulated at the outset in order to avoid misinformation and unreasonable expectations by the public;*
- V. **Public Choice:** *The intent of health care reform must be to provide universal health care coverage. It is important that the public should have choice in selecting their insurance carrier and health care provider.*
- VI. **An Ombudsman for Health.** *An independent legislated oversight body for the health care sector should be established with the power to address public or health care provider concerns and investigate, if necessary, violations or breaches of the application of the National Health Plan;*
- VII. **Viability and Sustainability.** *A plan should be established which is financially viable and able to sustain itself over time. It should not diminish nor discourage prospect of consistent economic growth, the creation of new jobs, and the increase in entrepreneurial opportunities. Nor should it create an undue burden on the people or the government of The Bahamas.*

VIII. **Phasing In Health Care Reform:** *An Implementation Strategy should incorporate a "Phase-In" approach, giving priority to those areas of public health that are most critical. This is to provide the opportunity to adjust to a new health care system, while permitting the underlying infrastructure the time to expand to meet increased demands.*

We are deeply committed toward contributing to the improvement and sustainability of health care in The Bahamas. Accordingly, the Coalition for National Health Care Reform will collaborate with government in producing a plan that is practical, efficient and minimizes the future financial burden on the people of The Bahamas.

Segal Survey

One of the major activities of the Coalition was an independent survey conducted by The Segal Company, a global leader in benefits, compensation and human resources consulting. The results from the survey commissioned by the National Coalition for Health Care Reform indicated considerable concerns about the approach advanced by the Government. While virtually all employers supported reforms to the current health care insurance system, and most are in agreement with the Coalition's position in support of universal coverage, only 21% of employers stated that the Government's proposed scheme is the 'most preferred option'.

The sampling survey covered a representative grouping of 82 employers covering all sectors of the economy and sizes of businesses. Half of those surveyed are categorized as small businesses, with 35% being medium-sized businesses and 19% large enterprises. The total employment for those firms surveyed is over 13,000.

Seventy-Nine (79) percent of the employers surveyed offered alternative solutions to meeting the nation's health care needs and ensuring either universal coverage or some level of coverage for Bahamians.

Alternative approaches to the Government's plan which were advanced by the respondents include: mandatory private insurance group plans for all companies and employees; maintaining the current system, with improvements; full privatization of the Health Care System with a back up voucher system issued by the Government for individuals to choose their health care providers; an NHI system limited only to catastrophic coverage; and a mandatory NHI scheme, but administered privately, as opposed to the National Insurance Board.

When asked if they would maintain their current private insurance for employees after the introduction of the Government's National Health Insurance program, 43% were uncertain, 29% said they would, and 29% indicated they would not. Of those who indicated they would retain coverage, 81% said they would seek to scale back coverage to include only those areas not covered by National Health Insurance.

Over two out of every three participating employers in the Segal survey indicated that the proposed National Health Insurance scheme will in some way negatively effect their company's employment levels.

While the higher labour costs were expected to limit new hires and job creation, it was anticipated that there would be limited impact on business expansion in the near term according to the survey results.

Thirty-eight percent of employers indicated that the added cost would have limited new hirings. Approximately sixteen percent stated they would reduce existing staff levels, while fifteen percent would limit new hirings to part-time employees. Thirty-one percent of employers indicated that NHI would likely not affect their employment levels at all.

Obviously, one of the areas of concern was the increased cost of labour by the introduction of such a program and would force Employers to make some hard decisions as to what was affordable. Some employers were better positioned to maintain their current employment levels but likely to be forced to increase the prices of their goods or services to cover the added cost of doing business. In

general, many employers do not wish to raise prices and hope that the introduction of any plan would not force them to do so.

When asked how the higher cost of the proposed NHI tax would most likely be absorbed or accounted for, 28 percent of employers surveyed indicated they would cover the added cost by increasing the prices of their goods or services. Fifteen percent said they would be able to absorb the increased cost through reduced profits while five percent indicated it would result in reduced business expansion in the near term.

In summary, businesses overwhelmingly questioned the long-term sustainability of the cost at the shared employer-employee contribution levels being proposed, this raised even further questions as to the extent which NHI in its proposed form would have on employment levels and the cost of goods and services into the future.”

Nassau Institute Report authored by Nadeem Esmail

On January 31, 2004, the Blue Ribbon Commission on National Health Insurance presented its report to the Prime Minister of The Bahamas. The report contained a comprehensive review of both the current health program in The Bahamas as well as a proposal for a National Health Insurance program (NHI). The Commission's report, along with a cost and financing analysis completed in 2005, is supposed to form the basis for a change in government policies that will see the introduction of a universal access health insurance program for all citizens of The Bahamas.

The intention behind all of this work, guaranteeing access to health insurance regardless of an individual's ability to pay, also underlies the health policy regimes of the majority of the world's most developed nations.¹ Notably, most of their programs have been thoroughly studied and reformed since they were first introduced. Put another way, the Bahamian pursuit of universal access health insurance is neither revolutionary nor unique, nor is it occurring in a world where evidence on how to best structure a health program is scarce.

There is a wealth of evidence from developed nations on both the economic costs of introducing new tax-funded initiatives and the costs/benefits of various health policy options. Evidence on whether or not the introduction of a national health insurance scheme is necessary to ensure that all individuals have access to treatment regardless of their ability to pay for it is also available from economic studies of insurance and markets. This evidence should be what ultimately guides policy development in The Bahamas. Not following the guidance contained therein will likely result in unnecessary and potentially costly consequences.

The Bahamas is not the first nation to consider implementing a national health insurance program, so it should not needlessly suffer the ills endured by so many flawed attempts that came before it. Also, an evidence based approach to health care policy is vital if The Bahamas wishes to ensure that the ultimate set of policies introduced is the best option available.

This examination of the health care program in The Bahamas is broken down into five sections. The first examines the case for NHI in principle. The second section provides an overview of the current state of health care in The Bahamas. In this context, section 3 analyzes the Blue Ribbon Commission's proposal in detail, and considers whether or not the policies/options chosen by the Commission are the best options for The Bahamas based on economic research and international evidence. Section 4 briefly examines the world's most successful health care programs, all of which can serve as a potential guide for policy in The Bahamas. Finally, section 5 offers several policy recommendations for The Bahamas based on the international evidence and economic research examined in sections 1, 3, and 4.

¹ Defined here as member nations of the Organisation for Economic Cooperation and Development (OECD)

Policy Recommendations for The Bahamas

The ultimate goals of any health care reform should include the formation of a system in which the population's health is improved, people have access to medical services when they need them, consumers control their own health care decisions, and there is accountability (by both providers and consumers) for the use of health care services. Health reforms in The Bahamas must also consider the facts that a universal comprehensive health insurance program does not necessarily improve population health outcomes (discussed in section 1 above), and that The Bahamas' government currently ensures universal access to basic health care services including hospital care (PAHO, 2002; BRC, 2004). The Bahamas must also recognize that the financial sustainability of publicly funded health care programs is a serious concern in developed nations. These goals and realities together suggest that The Bahamas might be best served by the privatization of hospitals and other health related activities, and the introduction of cost sharing for services delivered by the current taxpayer-funded health program. The introduction of a comprehensive NHI program, given the evidence discussed in sections 1 and 3, may not be advisable for The Bahamas.

However, if Bahamians insist that an NHI program must be the goal of any health reform in The Bahamas, then the following recommendations must be implemented within that NHI program to ensure cost effectiveness and quality.

1. Hospitals, clinics, and other health activities/services should be privatized

Some areas of health care seem to fall naturally under the purview of the public sector. For example, it would be difficult for the private sector to provide enough public health and communicable disease management services, yet these services are important in that they have been shown by more than one study to have a net positive social benefit. However, the argument for public sector provision of many other services—including acute and primary care—is less credible.

There is a substantial quantity of literature on the relationship between ownership—private versus public, not-for-profit versus for-profit—and costs and outcomes, both for medical institutions and business in general. The literature generally indicates that for-profit and not-for-profit providers/hospitals are equally efficient, but that there are distinct efficiency advantages in relying on private providers/hospitals vis-à-vis publicly owned providers/hospitals. Further, private health care providers, because of their incentives to increase efficiency and provide a higher level of care in order to attract more patients, will end up enhancing care for all patients, including the very poor. Evidence from the United Kingdom has shown that the lower socio-economic classes benefited the most from the private sector's involvement in hospital care provision (McArthur, 1996).

The privatization of hospitals, primary care facilities, and other services cannot, however, be done without the introduction of competition. As Ferguson notes: “[p]rivate clinics will produce socially desirable results only when they are introduced into a competitive

environment” (2002). Without competition between providers, most of the incentives to improve both cost performance and quality will be lost.

2. Other government activities related to the health sector should be subjected to a competitive bidding process where private sector and public sector bidders are treated equally.

The benefits of outsourcing government activities have been well documented in academic studies.² In general, outsourcing of activities reduces the cost of services delivered, and results in either the same or a higher level of quality. It should also be noted that competitive bidding can improve the efficiency of service provision whether the provider chosen through a fair and unbiased process is publicly owned or privately owned. The key to improving service delivery is the involvement of the private sector in a competitive process.

An excellent example of a service that could be outsourced in The Bahamas is that provided by the Materials Management Directorate (MMD) and the Medical Surgical Supplies Distribution Unit (MSSD). These two programs procure, warehouse, and distribute medical and surgical materials and supplies for public health care providers and programs in The Bahamas. As the BRC notes, these programs could be improved through the introduction of “[a]n appropriate inventory accounting system... to avoid problems such as items being out of stock,” and an increase in adequate storage capacity (BRC, 2004: 35).

It makes much more sense for government to simply outsource these activities to a competitive provider who already has expertise in procurement, warehouse management, and delivery. The government need only require that the competitive provider deliver services efficiently and ensure that medical materials are available as required, leaving the competitive provider to independently determine precisely what controls and facilities are required to maintain a quality service. Government could, if so desired, maintain oversight of what materials are to be stocked for health care providers through the current Supply, Analysis, Valuation, and Engineering (SAVE) Committee, which is responsible for “ensuring that new and existing biomedical products... are appropriately evaluated and standardized,” (BRC, 2004: 35).

3. Accreditation/certification of facilities and caregivers should be handled by a private third party.

The certification of practitioners and facilities should be maintain by independent third parties, which could be any of several licensing bodies in Canada, the United States, or Europe, or independent quality certification organizations that also practice in these regions.³ Certification by an independent, reputable, and preferably offshore third party would provide the quality signal desired by the BRC and likely by many Bahamians,

² See, for example, Domberger and Rimmer (1994), Savas (1982), McDavid (1988), and Domberger *et al.* (1995).

³ One potential example is the Joint Commission International (JCI) accreditation program for hospitals (www.jointcommissioninternational.com).

while a lack of local oversight over the certification process would ensure that harmful political intervention would be constrained.

4. Hospital and facility care should be funded using a prospective fee-for-service, or case payment, system.

While budgetary allocation systems and capitation payments allow governments to exercise control over hospital expenditures, such schemes result in fewer services and a lower standard of care for patients because they disconnect funding from the provision of services to patients. Opting for a prospective fee-for-service payment regime would create powerful incentives to deliver a greater quantity and quality of services without leading to dramatic cost increases.

This method of funding is one in which the service provider is paid a fee for each individual treated, based on the expected costs of treating the diagnosis of the patient at the time of admission. It creates incentives for hospitals to treat more patients and to provide the types of services that patients desire. It also facilitates the introduction of competition into the hospital sector because the cost of performing procedures is clearly identified.

5. Physician care outside of hospitals should be funded fee-for-service.

Ultimately, the best remuneration systems are those that are output based. Physicians receiving salaries and capitation payments, unless well supervised, will tend towards less output because their pay is not dependent on the quality or quantity of services provided. Fee-for-service payment schemes, or some mixed payment scheme that has a significant output-based component, are clearly the superior choice for remuneration in terms of the quantity, and possibly the quality, of care provided. Opting for a payment scheme that is not based principally on fee-for-service serves to reduce the cost-effectiveness of the NHI program—costs would either rise to maintain services, or service provision would fall to maintain cost.

6. Patients must be required to share in the cost of NHI-funded services they consume through either co-payments or deductibles. Low income populations should be exempt from this requirement.

When individuals do not face any direct charges for health care at the point of service, they have no incentive to restrain their use of health care. Such a situation can produce excessive demand for care and result in wasted resources, to the extent that the costs of producing these services exceed what individuals would be willing to pay for them. Co-insurance, deductibles, and co-payments can increase efficiency in the health delivery sector and reduce costs, and can reduce the burden on those funding the NHI program because they redirect health care financing from payers to users. Since cost sharing can have an adverse effect on the health of the poor and the sick poor, these and certain other groups should be exempted from such a program.

7. NHI should be provided by both public and private insurance companies in a competitive marketplace. Bahamians should be required to purchase insurance by law, while those who cannot afford insurance should be given vouchers to purchase insurance from the provider of their choice. NHI insurance providers should also be permitted to offer a multitude of insurance options and not be regulated to the extent that consumer sovereignty or insurance plan flexibility is needlessly restricted.

A system of competitive social insurers has a number of benefits over a single government insurer model where premiums are levied in a manner which mirrors an income tax. Principally, this system is less likely to suffer from politically-motivated intervention and is more accountable to citizens than a system directly managed by government, as independent bodies collect the insurance payments and disperse the funds for health services. Some tax financing may still be required however to provide coverage for the poor, the unemployed, and possibly the elderly. Additionally, the freedom to choose among insurers generates efficiencies in the health care system as a result of competition and the possibility of varying cost-sharing schemes and benefits that allow lower insurance costs for those willing to pay more out of pocket.

Notably, a comparison published in the *British Medical Journal* of Britain's publicly funded National Health Service with California's Kaiser Permanente (a competitive private not-for-profit insurance company) found that the per capita costs of the two systems, adjusted for such aspects as differences in benefits and population characteristics, were similar to within 10 percent. However, it found that Kaiser members experienced more comprehensive and convenient primary care services and more rapid access to specialist services and hospital admissions. Kaiser's superior access, quality, and cost performance was attributed to better system integration, more efficient management of hospital use, the benefits of competition, and greater investment in information technology (Feachem, Sekhri, and White, 2002).

8. A private parallel health care sector must continue to exist and should be subject to a bare minimum of regulation.

A parallel private health care sector gives individuals effective choice in the health care they receive. Without effective choice, health care delivery becomes a common, uncontested standard, leaving patients in a situation where they cannot protest for better quality by choosing to purchase health services from a different provider. It also allows individuals to seek care that the NHI program is either unable or unwilling to provide.

Private health insurance provides citizens with quick access to care when needed in return for a regular premium payment prior to the onset of a condition. Insurance also allows those who might prefer to do so, to pay an anticipated and fixed premium over time for access to private care, rather than pay the higher and less predictable cost for private care when they wish to receive it (even if they can afford to do so). Thus, private

health insurance creates opportunities for those in lower income groups and allows people to tailor their expenditures to their own preferences.

Restrictions on or regulation of private health care and private health insurance are not benign. Regulation of services and prices can dampen the incentives for innovation and the introduction of greater choice through differentiated product offerings. Such regulation can also drive up the costs of health care services as competition stagnates and the incentive to decrease prices as a result of efficiency and innovation is virtually eliminated by a government determined rate. A private health sector, when introduced alongside a universal insurance scheme or even when acting as the sole provider of health services, must be allowed the flexibility to compete over the price and quality of services freely through the introduction of more innovative and effective forms of treatment and insurance cover.

Online Petition

“What’s The Rush? ... Let’s Get It Right!” was the slogan used by the National Coalition for Health Care Reform to launch its On-Line Petition on the 19th of November, 2006. The Petition reads as follows:

We, the undersigned, support a National Health Care Plan because every Bahamian has a right to health care. However, we believe that insufficient information has been provided to the public about the proposed National Health Insurance Plan. We request that the Government release all facts and allow for meaningful consultation before making a final determination. We all want a plan that will be financially viable and sustainable for generations to come.

These simple words which merely asked government to slow down its headlong plunge into their proposed National Health Insurance Plan, release all information pertaining to the Plan and insure that the Plan is economically feasible resonated with Bahamians resulting in 3,781 signatures to the Petition.

The Petition provided space for the signatories to make comments and over 30% did so. The 1,151 Petition comments ranged from the short phrase of “No way!” to several paragraphs of detailed explanations as to why government’s proposed National Health Insurance Plan would not work. In addition to the comments received via the Petition, other comments were received by email.

Although many of the comments expressed several themes, the major theme expressed by one-third of all submissions was that government needs to provide to the Bahamian public more facts and information relating to their proposed Plan, “We haven’t had enough information on it”, “We have a right to know!”, and “Let’s take the time to review this plan thoroughly before implementation” being but a few examples.

Other main themes in descending order include those who are completely opposed to a National Health Insurance Plan, “Both Canada and the United Kingdom have a National Health Care Plan and both countries have ruined their economy because of it”, “I am very skeptical of any government run business because of their track record of mismanagement, poor service and inefficiencies”, and “The fact that we cannot properly administer the current system proves that there are already major inefficiencies which make this new plan almost laughable”.

Those who feel that more planning is necessary, “Let’s take our time and get it right because in the future our children and grandchildren will have to bear this burden as we will no longer be on the scene”, “This plan needs much more thought and consultation”, and “A badly planned system can either ruin health care or bankrupt the country”.

Those who do not want to sacrifice choice, “I am very concerned that my existing private plan will be affected and that I will receive substandard care”, “Give Bahamian people the right to choose their own health care plan”, and “Why does it have to be mandatory? I feel this plan should optional”.

Those who feel that government used this issue as an election ploy, “The government is fast tracking this issue in an attempt to gain votes in the upcoming elections”, “They are only interested in meeting an election promise and are not concerned about the future viability of this proposed plan”, and “The only motivation is political gain, but at what expense in the long run?”.

Some sample comments are listed below:

“This must be put to a referendum. How about mandatory public accounting for funds? No services for illegal immigrants, are we providing free health care for the world? I fear this is just another tax. This is a recipe for disaster and corruption! It will disrupt the current medical services without providing an equivalent for years to come. Why are we still considering socialist programs like this, they didn't work before, what makes anyone think they will work now?”

“I honestly do not think that this plan will work. I feel that the need on the government's part to rush this through is just another political ploy that would backfire in their faces and put successive governments in grave financial debt.”

“The only justification that I have heard from the authorities is that the proposed National Health Care Plan will eliminate the need for cookouts which I consider an inadequate explanation. I don't think that they understand the plan adequately or sufficiently enough to explain it.”

“The government should take its time with the implementation of National Health Insurance and not make it a political issue. A plan this extensive should be bipartisan. In an effort to foster a free market economy, the government should be privatizing government corporations not seeking to increase them.”

“It has not worked in Canada, it has not worked in England, and it will not work here. It is just another tax and God knows we do not need any more taxes.”

“As a young family man, young professional and businessman, I'm certainly not prepared to support the National Health Insurance plan at this point without full disclosure of its benefits and demands. Currently, I have my family fully covered in a more than adequate health plan. If you're asking me to pay for a plan that I may never need to access, then at the

least respect me enough to provide me with all the details of the plan and don't insult me by attempting to 'stuff it down my throat'."

"I do not think the country is ready for such a scheme as similar Health Care Plans in other countries have not been successful. Princess Margaret Hospital is not ready to support such a scheme."

"I have no problem with universal health care, however I am opposed to the government running it as the public service is a proven failure with respect to administrative efficiency and productivity. In addition, I pledge to take out a class action suit against the government, if the standard of my health care in terms of delivery and quality is diminished in anyway."

"This is a socialist plan being proposed in a country not used to socialism. This needs thought! I am a Bahamian residing in the UK which has this socialist health care system and currently, the NHS (National Health System) here is in turmoil. It seems like my Bahamas is heading down this dreary road blindly."

"Our approach to a National Health Care Plan must be objective and rational, and most importantly based on a solid system. We cannot allow the government to implement a plan that affects each and every Bahamian person without giving us an opportunity to understand, debate, discuss and make our needs known. How can we have faith in a plan we know little about? Let's bypass the propaganda and the mud-slinging. Just because I question my government does not mean I am inhumane towards those less fortunate. It is our right to question; it is our duty to question. It is their job to answer us!"

"Regrettably, I do not have confidence in this or any government to manage such a plan efficiently and effectively. Pouring money into the project through income based tax will not make the hospital or clinics work better or serve the public any more efficiently."

A couple of comments negative to the Coalition were received and responses were made to those making the comments welcoming their opposing points of view. It is vitally important on an issue of this magnitude that all Bahamians are able to freely, openly and honestly present their feelings on the matter at hand.

Ninety-nine percent plus of the comments we received were supportive of our cause. A comment in this vein is as follows:

"Thank you for your time and efforts in this matter. Serious fine tuning is in order before this can be successful and your efforts to confront the possible problems and successes of the plan are appreciated."

Coalition Guiding Principle	Proposed Government NHI Approach	Issues Raised	Alternate Approaches
<p><i>I. Upgrading the present health care infrastructure should be the first priority: The Bahamian health care system requires significant and sustained restructuring and reform which includes an upgrade to the physical, human and administrative infrastructure;</i></p>	<p>The necessity for an upgrade of the Physical Infrastructure is highlighted in the Government’s plan. These upgrades should be executed during or after the implementation of the NHI. Financing for these improvements should come in part from proceeds of the NHI and from continued direct subsidy from the central government.</p>	<ul style="list-style-type: none"> • The physical plant of the public health system is already operating far beyond capacity, with housing, equipment and information systems that are woefully outdated in many instances. The introduction of an NHI will INCREASE significantly the demand for health services in the public health care system. The plants will not be able to accommodate the demand for services. • Before NHI could be launched, the BRC report indicates that significant attention be put into reorganizing and strengthening the management of both the public health facilities AND the government agencies that oversee them. The report listed some 40 points that requires attention as part of a strengthening project if the NHI is to be executed with some measure of efficiency and success. • As with the needed upgrade to the physical plant, there must be an absolute overhaul in the management of the public health care system. By the BRC’s own admission, the current administrative framework is insufficient to implement and manage a NHI driven health care system. The mechanisms for control, quality assurance, case file management and accountability are woefully under-developed.ⁱ 	<ul style="list-style-type: none"> • Establish and execute a pre-implementation phase that will make urgent upgrades to the physical and administrative capacity of the public health care system. • Establish and develop a long term budget and funding options for the construction, outfit and maintenance of modern hospital and clinic facilities that will be able to reasonably accommodate the anticipated increased demand of a fully phased-in national health insurance plan • Develop and execute, as per the BRC’s recommendation, a plan to radically overhaul the ENTIRE administration of the public health care system. The plan would feature decentralized decision-making, private sector participation in contracted out services where possible and private sector audits of the administrative bodies. • The institutional development plan needs to be documented with budgets, benchmarks, standards and timelines • Encourage and stimulate private sector investment in health care..
<p><i>II. All Bahamian Residents should have access to health care: Reform must improve and ensure access to primary, secondary and critical care for all Bahamian Residents;</i></p>	<p>The Government NHI’s plan seeks to provide universal coverage to all Bahamian residents</p>	<ul style="list-style-type: none"> • The key issue here is on IMPROVING and ENSURING the access. • Without the upgrade of the physical and administrative infrastructure at the beginning of the process, the goal of improving the access will not be achieved. In fact, given the greater the demand push under a comprehensive plan coupled with an overburdened system, participants in the plan may find their access diminished as opposed to improved • The Government’s proposal is to ensure an adequate level of care is available to ensure that all Bahamaians including the children, elderly, the poor and indigent, and the chronically ill. Presently, many Bahamians cannot afford levels of care beyond the basic care provided in the system. 	<ul style="list-style-type: none"> • Revise the NHI policy aim to provide for universal coverage over time (see section on “phasing in”) and instead aim for critical care and priority services in the initial iterations. • Given that the current system already does provide for universal coverage, the first step toward attainment of this goal can be achieved by the urgent upgrades to the physical plant mentioned above and greater attention to ensuring adequate human resource needs are filled to support both the administrative and health care functions of the system.

Coalition Guiding Principle	Proposed Government NHI Approach	Issues Raised	Alternate Approaches
<p><i>III. True and Meaningful Consultation and Consensus: Reform dictates that the principal stakeholders must be equitable partners in the articulation, development and execution for improvements to the health care system;</i></p>	<p>The Government has over time held meetings with different groups and through different forums to explain the elements of the NHI and to provide persons with an opportunity to express their opinions and objections to the plan</p>	<ul style="list-style-type: none"> • There has yet to be any meaningful and true consultation with the vast range of very important stakeholders. • Critical information and analysis have not been shared with the stakeholders and key studies such as the Economic Impact Assessment have not been undertaken. • The events put on by government have been one way “information-relating” exercises in which the government presents its plans and timelines and allows persons to ask questions. • When provided with an alternate approach or a challenge to a specific tenet of the plan, the officials representing the NHI invariably seek to DEFEND the positions that the government has stated, as opposed to examining the merits of outside recommendations and criticisms and making necessary adjustments to the NHI plan when valid points are raised from outside. • The approach being advanced by Government has not allowed for the depth of consultation with key stakeholders to truly assess the Government’s proposals, provide for the level of support data to substantiate the proposed approach, and explore meaningful alternatives toward achieving the same objectives. 	<ul style="list-style-type: none"> • The government should engage in a legitimate way with the full range of stakeholders to examine all possible solutions and alternatives to attain the policy goals of universal and quality health care. • This consultation should represent a true dialogue and exchange of ideas that can bring elements of global best-practices and innovations in health care within the Bahamas to come up with the best possible plan, without any pre-determined prejudice toward or against any particular mechanismⁱⁱ • In particular, the full medical community must be an integral part of the formation and development of a NHI plan – as opposed simply to being offered to be a voluntary participant once the plan has been formalized. This has been the approach in France and other jurisdictions and has been hailed a key contributor to the robust foundation upon which these NHI schemes have been built • To permit stakeholders to sensibly consult and comment upon the government’s NHI plan, the government must commit to full disclosure of all pertinent information and analysis. Otherwise the legitimate perception will be that the government is cherry-picking the information that backs their arguments while suppressing data that may undermine their precepts. • A mechanism should be put in place for providing transparency, consultation, negotiation and dispute resolution as well as timely and full disclosure of the system’s performance and finances once a system is in place. • Experience from other countries has shown that private sector participation is key to the success of a National Health Care system.

Coalition Guiding Principle	Proposed Government NHI Approach	Issues Raised	Alternate Approaches
<p><i>IV. Detailed Breakdown of Benefits Under the System: The benefits of a national health care plan must be clearly defined and articulated at the outset in order to avoid misinformation and unreasonable expectations by the public;</i></p>	<p>The Government's NHI plan states that all primary, secondary and tertiary care will be paid for through the NHI system. Persons under the NHI can access health services in the public health care system without having to use their personal funds</p>	<ul style="list-style-type: none"> • This comprehensive list of benefits must be defined with greater clarity – especially given limited physical and medical resources in both the private and public sector. • The Government's PR efforts now seem to emphasize that participants in the NHI plan will be able to "get what they want at the moment they need it". That is not a realistic expectation as limited resources will mean rationing of resources and queuing for certain services. • As with all services and products in any economy, the range of offerings move from the extremely basic to supreme luxury, depending on persons' capacity and willingness to pay. The government must determine and explain to participants what their comprehensive package of benefits is buying them. In essence, will NHI participants be eligible for public ward services or will their contributions provide them with access to fully private services? 	<ul style="list-style-type: none"> • Even in a fully phased in NHI system, the access to services must be detailed in some system of priority listing so that beneficiaries understand and appreciate the limitations of the public system. This will provide an honest and transparent basis upon which persons may decide to supplement the public health care insurance offerings with additional private insurance or with greater personal savings toward health care • As opposed to a single "comprehensive" benefits package, there should be different benefits and services packages, depending on the capacity and willingness to pay. The most basic package would cover only primary and critical care, and very basic hospitalization services, with more comprehensive packages covering a greater array of services and amenities.ⁱⁱⁱ • Given limited resources, has serious consideration been given to limiting the benefits package to certain critical services at the outset?^{iv}

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<p>V. Public Choice: <i>The intent of health care reform must be to provide universal health care coverage. It is important that the public should have choice in selecting their insurance carrier and health care provider.</i></p>	<p>All Bahamian residents will be legally required to subscribe to the NHI plan.</p> <p>The NHI fund will be a centralized public entity.</p> <p>There is no possibility for opting out of the plan and no possibility of being turned down or denied coverage</p> <p>The National Insurance Board (NIB) will be responsible for all aspects of plan administration – the Board will collect premium payments; manage customer files; make determinations on eligibility for medical procedures; ensure compliance with NHI rules and regulations and facilitate payouts to health care providers</p>	<ul style="list-style-type: none"> • The modern liberal democracy is predicated upon the notion of customer choice and competitive marketplaces. These precepts are not simply theoretical abstractions, but they are critical to ensuring that individuals are provided with the widest range of products and services at the most economical price. • The government of the Bahamas has recognized this principle in other sectors like telecommunications and air transportation in which it is moving toward greater private involvement and a truly competitive marketplace. • HOWEVER, in the health care sector, the government is moving in the opposite direction toward monopolization and centralization. • On the other hand, countries with existing public NHI plans are moving toward greater private participation – not less – in an effort to improve the efficiency and coverage of their NHI plans, as well as to create greater customer satisfaction.^v These jurisdictions have realized that public sector administration of a health care system has been problematic. Without competition, transparency and accountability, no incentive exists to encourage efficiency and optimal consumer choice. • The government’s BRC report notes that the current NIB has nowhere near the administrative capacity to administer a NHI plan. In fact, NIB is unable to discharge its current responsibilities efficiently.^{vi} • No option was put forward in the BRC report as to how the private sector could be marshaled to facilitate the administration and execution of the Plan. Instead, the report seemed to conclude without thorough investigation that a private sector driven approach would be too expensive.^{vii} 	<ul style="list-style-type: none"> • According to the BRC report, roughly half of Bahamian citizens have private health insurance which provides at least basic coverage on health care for both public and private facilities. Thus, given the sophistication and experience of the private health insurance system in the Bahamas, the possibility of expanding private health insurance should be seriously examined. • Legislation could be introduced to require all employers to provide basic health insurance coverage with split costs (employer/employee) either through a private or public health insurance provider. Rules as to mandatory qualification and minimum coverage requirements could be set. This would allow for customer choice and competition which will over time shape optimal pricing and service delivery. This will also address the issue of increasing funding to the public health care system as individuals accessing the system will have the means to pay through their mandatory insurance coverage. • Expansion of the current private-public partnership in the public health care network should be explored. This approach has demonstrated some merit and has provided an innovative and effective means to increase the range of quality services and products in the public health care system. • Competitive international bidding for the administration of the public NHI fund must be undertaken. The administration of any public health care insurance system should be undertaken in a competitive private environment, where the successful bidder would have a contract of limited duration with clearly delineated deliverables and services. (do we really want to advance this?)

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<p>VI. <i>An Ombudsman for Health. An independent legislated oversight body for the health care sector should be established with the power to address public or health care provider concerns and investigate, if necessary, violations or breaches of the application of the National Health Plan;</i></p>	<p>The Government's NHI plans and pronouncements have not paid significant attention to accountability and transparency in the administration of the NHI</p>	<ul style="list-style-type: none"> • Private Insurers and health care professionals report that there exists in the current system a significant amount of fraud and abuse. • Throughout the Bahamian public sector, there exists the perception that petty corruption and impropriety are widespread. Indeed, press reports and investigations tend to bring legitimacy to this perception. • Thus given the complexity of a public health care insurance system and its attendant opportunity for graft and misuse, there should have been significant attention paid to the development and institution of an independent oversight authority to encourage proper and legitimate utilization of resources. 	<ul style="list-style-type: none"> • Prior to the implementation of the NHI in any form, an Ombudsman's office should be established with appropriate powers of oversight and intervention on matters of resource deployment and customer care. • At the time of implementation, accounting and managerial systems should be established that are consistent with international best practices and private sector norms. The enabling legislation should set timetables for period financial and managerial audits which should be reported directly to the Speaker of the House of Assembly for immediate public scrutiny. The law should also speak to penalties for relevant managers who do not meet audit deadlines or whose performance contributes materially to unsatisfactory audit reports.

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<p><i>VII. Viability and Sustainability. A plan should be established which is financially viable and able to sustain itself over time. It should not diminish nor discourage prospect of consistent economic growth, the creation of new jobs, and the increase in entrepreneurial opportunities. Nor should it create an undue burden on the people or the government of The Bahamas.</i></p>	<p>The government has provided an estimate of what the NHI plan will raise and cost in Year one of implementation. They have calculated this sum to be \$235 million.</p> <p>The government stated at the outset that one of its policy aims was to implement a contributory rate that was affordable to Bahamians</p> <p>Various government officials have indicated in public pronouncements that the NHI should not have an adverse impact on economic growth and job creation.</p>	<ul style="list-style-type: none"> • The government NHI plan does not appear to be able to cover probable expenditure even in its FIRST year. In 2001, the BRC report estimated that expenditure on health care was approximately \$343m. Thus, the sum of \$235m to be raised by the NHI plan in Year 1 would not have covered the 2001 health bill, much less the bill for 2007 and beyond.^{viii} How can claim for comprehensive coverage be justified when first year intake is projected to be LESS THAN estimated expenditure was in 2001? • No information has been provided in the public domain that shows what the total bill of NHI will be in the second and subsequent years. With higher costs occasioned by greater demand and higher maintenance costs of newer facilities, will the contributions from the proposed payment rates be sufficient to cover future expenditure? • It cannot be considered best practice to determine costing and pricing in the government’s NHI fund and public health care system without full determination and disclosure of all government subsidies (including capital expenditure and administration of the public health authorities). • The Bahamian public is thus being asked to buy into a product without having access to a reasonable projection as to what it will cost them in the medium and long term • The policy intention of creating an “affordable” rate is largely incompatible with the aim of “comprehensive coverage”. • The government seems to have attempted to come up with a contribution rate that it deems to be not financially onerous to contributors, as opposed to coming up with a rate that would provide sufficient funding for comprehensive coverage.^{ix} • Comprehensive health care systems in Singapore and France respectively take approximately 12 percent and 16 percent of gross salaries (split between employer and employee) to fund their NHI plans. This compares to our NHI proposed 5.3 percent gross contribution.^x • No report has been released by the government to date^{xi} on the near or long term economic impact of the proposed NHI plan, although the economic assessment analysis has been promised on several occasions. • Any system implemented without some measure of co-payment or access charge is prone to user abuse and overuse 	<ul style="list-style-type: none"> • The determination must be made as to whether the policy aim is to provide an inexpensive health care coverage network or a comprehensive health care coverage network. The former would be a lower premium rate but very limited coverage, while the latter would certainly mean higher pay-in rates, but more extensive coverage. We must move away from the fallacy that we can obtain BOTH at the same time. • The cost projections and underlying assumptions must be extended out for a minimum of fifteen years. These projections must be broken out into at least three different scenarios (base case, best case, worst case) that would show the impact on payment rates and benefits coverage, given divergent economic growth rates and/or natural or man-made. • The NHI analysis that is presented must show the long term projections and must factor in the total cost of public health care delivery. This will more honestly demonstrate the full cost of the NHI to the Bahamian public and allow for a more informed decision on the desirability and impact of this approach to health care reform. • A thorough economic impact assessment must be undertaken before a decision is made to introduce the NHI. The assessment may point to a need to lower the premium rates and thus the benefits at the outset in order not to upset economic growth; alternatively it may support the government’s assertion that NHI as proposed will be easily absorbed by the economy. However, right now, we do not possess any sort of reasonable analysis on the likely impact. This must be addressed as a matter of priority. • Except for indigent population, all users should pay some measure of co-payment for all services. This has a twin affect of supplementing the income but also reducing abuse.

Coalition Guiding Principle	Proposed Government NHI Approach	Issues Raised	Alternate Approaches
<p><i>VIII. Phasing In Health Care Reform: An Implementation Strategy should incorporate a “Phase-In” approach, giving priority to those areas of public health that are most critical. This is to provide the opportunity to adjust to a new health care system, while permitting the underlying infrastructure the time to expand to meet increased demands.</i></p>	<p>The government intends to introduce all elements of the NHI at the outset.</p>	<ul style="list-style-type: none"> • The current public infrastructure is already stretched beyond planned capacity. The evidence suggests strongly that where health insurance plans are introduced, the usage rates increase substantially. In the Bahamas, current evidence suggests significant pent-up demand. • The above means that upon introduction, the current infrastructure will not be able to meet the demand for services. This will put significant stress on the system, leading to long wait times and high levels of frustration to the customer and health care professional. • Just as importantly, the administrative infrastructure needs substantial institutional rebuilding and strengthening. As noted above, the government’s own BRC report indicates that the institutional reform must be addressed before the introduction of the NHI. • The BRC acknowledges the impact which lifestyle has on the cost of providing health care and places emphasis on preventative care and public education. 	<ul style="list-style-type: none"> • The initial recommendation for NHI in 1986 was a phased plan providing for limited services. • A phased approach is the most logical one to take as it afford the system an opportunity to better manage cost and provide tangible results and at the same time allow for a system which is affordable and manageable. • A plan should be developed that provides a linkage between the strengthening of the system and the service offerings. There are some services that are not feasible to offer with the current infrastructure and should be phased in as the strengthening of the system takes place. • It is recommended that the phase in approach should focus initially on high priority health issues. This includes funding inpatient care, a national drug plan for designated chronic disease, catastrophic care, and a Medicare plan for senior citizens

ⁱ See BRC report beginning on p. 106

ⁱⁱ Quote by Dr. Robin Roberts in his document Principles of Purpose and Pertinent Questions - “The essence of consultation is not only dialogue leading to an exchange of views and thus decision making, but there is little value in agencies consulting over policies or services that they have no plans to review.”

iii The Singapore Model – consistently rated among the best National Health care systems in the world – provides their citizens with the option to choose between five different “Ward” levels in the hospital, depending upon their willingness and ability to pay. Class A wards have private rooms, TV and VCR and other creature comforts. The lowest level ward provides for an open accommodations and only basic amenities. See *Medical Savings Account: The Singapore Experience* by Dr. Thomas Massuro and Yu-Ning Wong (p. 9)

iv Interestingly enough, even though the French system has guided the development of the Bahamas’ NHI plan, there seems to be no recognition that the French plan did NOT start out as a massive comprehensive insurance plan...but developed that way over time. This seems to suggest that a gradual and incremental introduction of an NHI system is desirable. In his 2003 piece for the American Journal of Medicine, Dr. Victor Rowin made this observation in respect to the evolution of the French public health care system:

“...the evolution of French NHI demonstrates that it is possible to achieve universal coverage without a “big bang” reform, since this was accomplished in incremental stages beginning in 1928, with big extensions in 1945, 1961, 1966, 1978, and finally in 2000. Of course, the extension of health insurance involved political battles at every stage. In the United States, since it is unlikely that we will pass NHI with one sweeping reform, we may first have to reject what Fuchs calls the “extreme actuarial approach” of our private health insurance system and then accept piecemeal efforts that extend social insurance coverage to categorical groups beyond current beneficiaries of public programs.”

v The NI report notes the following (p. 11): “The BRC’s proposal that the health care system be subjected to systems which ensure accountability is not a solution to the problems inherent in public provision of services. Accountability in the delivery of any service comes from freedom of access to information on pricing and costs as well as the ability to punish those who act poorly either by removing them from their position or by purchasing goods and services from a competitor”.

The Medical Association of the Bahamas released a paper entitled *The NHI Plan Will Not Do As Is* (MAB report). It noted: “Experience in the Canada, Britain, and the European socialized medical systems have caused them to embrace these privatization principles which lend to individual rights and personal responsibilities.”

vi The Nassau Institute’s Analysis of the proposed NHI by Nadeem Esmail (NI report) records this observation: “The BRC notes that the NIB’s relatively high administrative costs, which are roughly equal to 17 percent of revenue and are largely related to staffing costs, will pose a barrier to the introduction of NHI. More specifically, the BRC found that the NIB was currently overstaffed by 25 percent and poorly managed”. (p. 10). The NI report further note that “there is no economic rationale for the NIB to be the preferred option over a competitive private contractor or a competitive private marketplace.” (pp. 10-11)

vii It is somewhat puzzling why greater consideration was not given to greater private sector involvement in both the administration and execution of a National Health Insurance given the relatively strong capacity of private medicine and private insurance in the Bahamas. The MAB report states: “[the Medical Association] recommends expanded public-private partnerships such as already exist in the system. “The MAB believes that a strong and vibrant private sector, well-equipped and efficient will most effectively compliment a similarly developed public sector.”

The BRC report noted that just about half of the population had some form of private insurance. It then went on to conclude that private insurance was not affordable for many persons. However, the report did not seem to examine a scenario where private health insurance, covering at a minimum primary and critical care, was made mandatory. Would the increase in the contribution pool drive down prices due to increased economies of scale? What if the private insurers and government contribute to a general insurance fund that would accommodate the indigent, the unemployed and catastrophic and chronic illnesses? Could this be a means to facilitate full coverage by use of a private-public sector partnership approach?

viii See BRC report, p. 60 for estimates of health expenditure in 2001. The information on anticipated NHI yield was taken from the various public presentations made by the NHI task force.

ix The government essentially asked the BRC to accomplish two policy objectives which are incongruent: (a) to make this plan inexpensive, but at the same time, (b) to make it comprehensive. The policy intent should have been one or the other. An inexpensive or “affordable” plan would translate into limited benefits as low pricing would be the principal benchmark. A comprehensive plan means that more resources would have to be placed into the system and so a “low price” cannot be at a key policy aim. Further, with a public health care system that is already stretched, the current infrastructure does not appear to be able to meet the objective of comprehensive coverage.

Dr. Duane Sands notes that the method of ‘selling’ the NHI to the general public “creates unreasonable expectations in a public that already functions with an institutionalized and politically supported incongruence between desire and capacity.” He goes on to point out the need “to honestly [*sic*] manage expectations and utilization to achieve the sustainable endpoint of improved quality and access.” (DS-Rotary)

The NI report notes that other national systems that emphasize access and equity see an “exponential increase in utilization of services. Because persons pay directly, there is an entitlement and a right for care.” (MAB) p. 14). It goes on to quote a report by Amy Finkelstein (2005) noting that “Medicare’s introduction altered the practice of medicine and resulted in an increase of hospital utilization, measurable hospital inputs (i.e. employment and beds), hospital spending, and hospital technology adoption....This suggests that the impact of NHI cannot be assessed using current cost and intensity figures because these figures will expand significantly following its introduction. The future cost of NHI is likely to far exceed estimates of its costs...thus elevating concerns about its impact on Bahamians and The Bahamas economy.”

^x See the Report *Health Care Under French National Health Insurance* by Victor Rodwin and Simone Sandier. In France, employers and employees combine to pay the equivalent of 19.7 percent of the employee’s salary in payroll taxes. Some 12.8 percent is paid for by the employer and 6.9 percent is paid for by the employee. Of this sum, the equivalent of 16 percent of the salary goes into health insurance. Yet still, citizens must still pay a co-payment fee for most services. In Singapore, the figure is between 6 and 8 percent of the employee’s salary (paid equally by employer and employee) depending on the employee age. See *The Singapore Experience* (Massuro and Wong).

^{xi} As at October 29st, 2006