

A BILL

entitled

HEALTH INSURANCE AMENDMENT ACT 2017

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WHEREAS it is expedient to amend the Health Insurance Act 1970, the Health Insurance (Approved Scheme) Regulations 1971, and the Health Insurance (Licensing of Insurers) Regulations 1971;

Be it enacted by The Queen's Most Excellent Majesty, by and with the advice and consent of the Senate and the House of Assembly of Bermuda, and by the authority of the same, as follows:

Citation

1 This Act may be cited as the Health Insurance Amendment Act 2017.

Amends section 3A of Health Insurance Act 1970

2 (1) Section 3A(2E)(a) of the Health Insurance Act 1970 is amended by deleting "haemodialysis" and substituting "dialysis".

(2) This section shall be deemed to have come into operation on 1 June 2017 immediately after the coming into operation of section 4(b)(ii) of the Health (Miscellaneous) Amendment Act 2017.

Amends section 26 of Health Insurance Act 1970

3 Section 26 of the Health Insurance Act 1970 is amended—

(a) in subsection (2)—

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- (i) by deleting “with the prescribed fee”; and
  - (ii) by inserting “on payment of the prescribed fee,” after “standard health benefit,”; and
- (b) by inserting after subsection (2)—

“(2A) The prescribed fee referred to in subsection (2) shall, subject to subsection (2B), be paid to the Council and shall accrue to the funds of the Council.

(2B) The Government, in respect of any renewal of approval of the health insurance scheme for government employees under the Government Employees (Health Insurance) Act 1986, is exempt from the payment of the prescribed fee referred to in subsection (2).”.

Amends section 28 of Health Insurance Act 1970

4 Section 28 of the Health Insurance Act 1970 is amended—

- (a) in subsection (2), by deleting “specified by the Council” and substituting “prescribed”;
- (b) in subsection (3), by inserting “or renew” after “grant”;
- (c) by inserting after subsection (3)—

“(3A) The prescribed fee referred to in subsection (3) shall, subject to subsection (3B), be paid to the Council and shall accrue to the funds of the Council.

(3B) The Committee, in respect of the health insurance plan and the FutureCare plan, is exempt from the payment of the prescribed fee referred to in subsection (3).”; and

- (d) in subsection (4), by inserting “or renew” after “grant”.

Amends Health Insurance (Approved Scheme) Regulations 1971

5 Regulation 4 of the Health Insurance (Approved Scheme) Regulations 1971 is revoked and the following substituted—

“Fee

4 (1) Subject to paragraph (4), the applicant for renewal of approval under regulation 3 shall pay to the Council, before the approval is renewed—

- (a) where the scheme falls in band A, an approval fee of \$12,500;
- (b) where the scheme falls in band B, an approval fee of \$37,500;
- (c) where the scheme falls in band C, an approval fee of \$62,500;
- (d) where the scheme falls in band D, an approval fee of \$87,500;
- (e) where the scheme falls in band E, an approval fee of \$112,500;

- (f) where the scheme falls in band F, an approval fee of \$137,500;
  - (g) where the scheme falls in band G, an approval fee of \$162,500;
  - (h) where the scheme falls in band H, an approval fee of \$187,500.
- (2) For the purposes of paragraph (1), a scheme falls—
- (a) in band A, where the annual gross premium is less than \$25 million;
  - (b) in band B, where the annual gross premium is \$25 million or more but less than \$50 million;
  - (c) in band C, where the annual gross premium is \$50 million or more but less than \$75 million;
  - (d) in band D, where the annual gross premium is \$75 million or more but less than \$100 million;
  - (e) in band E, where the annual gross premium is \$100 million or more but less than \$125 million;
  - (f) in band F, where the annual gross premium is \$125 million or more but less than \$150 million;
  - (g) in band G, where the annual gross premium is \$150 million or more but less than \$175 million;
  - (h) in band H, where the annual gross premium is more than \$175 million.

(3) In paragraph (2), “annual gross premium” means the gross premium written in respect of the scheme in the twelve months preceding the date of renewal of the approval.

(4) In accordance with section 26(2B) of the Act, the Government (in respect of any renewal of approval of the health insurance scheme for government employees under the Government Employees (Health Insurance) Act 1986) is exempt from paying the approval fee.”.

Amends Health Insurance (Licensing of Insurers) Regulations 1971

6 The Health Insurance (Licensing of Insurers) Regulations 1971 are amended—

- (a) in regulation 3, by revoking subparagraph (b); and
- (b) by revoking regulation 4 and substituting—

“Licensing fee

4 (1) Subject to paragraph (4), where the Council determines to grant or to renew a licence, the applicant shall pay to the Council, before the licence is granted or is renewed—

- (a) where the insurer falls in band A, a licensing fee of \$12,500;

- (b) where the insurer falls in band B, a licensing fee of \$37,500;
  - (c) where the insurer falls in band C, a licensing fee of \$62,500;
  - (d) where the insurer falls in band D, a licensing fee of \$87,500;
  - (e) where the insurer falls in band E, a licensing fee of \$112,500;
  - (f) where the insurer falls in band F, a licensing fee of \$137,500;
  - (g) where the insurer falls in band G, a licensing fee of \$162,500;
  - (h) where the insurer falls in band H, a licensing fee of \$187,500.
- (2) For the purposes of paragraph (1), an insurer falls—
- (a) in band A, where the annual gross premium is less than \$25 million;
  - (b) in band B, where the annual gross premium is \$25 million or more but less than \$50 million;
  - (c) in band C, where the annual gross premium is \$50 million or more but less than \$75 million;
  - (d) in band D, where the annual gross premium is \$75 million or more but less than \$100 million;
  - (e) in band E, where the annual gross premium is \$100 million or more but less than \$125 million;
  - (f) in band F, where the annual gross premium is \$125 million or more but less than \$150 million;
  - (g) in band G, where the annual gross premium is \$150 million or more but less than \$175 million;
  - (h) in band H, where the annual gross premium is more than \$175 million.
- (3) In paragraph (2), “annual gross premium” means—
- (a) where a new licence is to be granted, the gross premium expected to be written by the insurer in the first twelve months of the licence; and
  - (b) where a licence is to be renewed, the gross premium written by the insurer in the twelve months preceding the date of renewal of the licence.
- (4) In accordance with section 28(3B) of the Act, the Committee (in respect of the health insurance plan and the FutureCare plan) is exempt from paying the licensing fee.”.

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### Application

7 (1) Sections 3 and 5 shall apply in respect of any approval that is renewed after the coming into operation of those sections.

(2) Sections 4 and 6 shall apply in respect of any licence that is granted or is renewed (as the case may be) after the coming into operation of those sections.

### Commencement

8 Subject to section 2(2), this Act shall come into operation when it receives the Governor's assent.

## HEALTH INSURANCE AMENDMENT BILL 2017

### EXPLANATORY MEMORANDUM

This Bill seeks to amend the Health Insurance Act 1970, the Health Insurance (Approved Scheme) Regulations 1971, and the Health Insurance (Licensing of Insurers) Regulations 1971 as follows.

Clause 1 is self-explanatory.

Clause 2 amends section 3A(2E)(a) of the Health Insurance Act 1970. Section 3A(2E)(a) was inserted by section 4(b)(ii) of the Health (Miscellaneous) Amendment Act 2017 to provide for payment out of the Mutual Re-insurance Fund of claims for the use of "haemodialysis" facilities. As the intention was to cover all dialysis rather than only haemodialysis, subsection (1) amends section 3A(2E)(a) by replacing the word "haemodialysis" with "dialysis". Subsection (2) therefore deems the amendment to have come into operation on 1 June 2017 immediately after the coming into operation of section 4(b)(ii) of the Health (Miscellaneous) Amendment Act 2017.

Clause 3 amends section 26 of the Health Insurance Act 1970 by inserting subsection (2A), which provides that the prescribed fee for the annual renewal of approval of a scheme shall be paid to the Council and shall accrue to the funds of the Council. It also inserts subsection (2B), which provides that the Government, in respect of any renewal of approval of the health insurance scheme for government employees under the Government Employees (Health Insurance) Act 1986, is exempt from payment of the prescribed fee.

Clause 4 amends section 28 of the Health Insurance Act 1970 by inserting subsection (3A), which provides that the prescribed fee for the grant or the annual renewal of a licence shall be paid to the Council and shall accrue to the funds of the Council. It also inserts subsection (3B), which provides that the Committee, in respect of the health insurance plan and the FutureCare plan, is exempt from payment of the prescribed fee.

Clause 5 revokes and replaces regulation 4 of the Health Insurance (Approved Scheme) Regulations 1971. Currently, the prescribed fee for the annual renewal of an approval of an approved scheme is \$1,000. This would be replaced by a tiered fee structure based on the gross premium written in respect of the scheme in the twelve months preceding the date of renewal of the approval.

Clause 6 revokes and replaces regulation 4 of the Health Insurance (Licensing of Insurers) Regulations 1971. Currently, the prescribed fee for the grant or annual renewal of a licence is \$1,000. This would be replaced by a tiered fee structure. In the case of the first grant of a licence, the fee would be based on the gross premium expected to be written by the insurer in the first twelve months of the licence. In the case of the annual renewal of a licence, the fee would be based on the gross premium written by the insurer in the twelve months preceding the date of renewal of the licence.

Clauses 7 and 8 are self-explanatory.