

# CT AND MRI FEES FACT SHEET

1. Government has recently granted financial supplements to the Brown-Darrell Clinic (BDC), Bermuda Health Care Services (BHCS) and the Bermuda Hospitals Board (BHB) in order to help ensure CT and MRI services are readily available to the public.
2. Both BDC, BHCS and BHB were affected under the previous Government by a downward adjustment to the fees which they were able to charge for CT and MRI services. These new fees were significantly lower than the technical recommendation.
3. When the current Government came into office, the situation was reviewed and several options were considered to mitigate the financial losses the three entities incurred.
4. Reverting all diagnostic imaging fees to the pre-June 2017 rates would have increased all Bermuda residents' health insurance premiums by \$23.03 a month, and cost the Government an additional \$8.6 million.\* This was not an acceptable option.
5. Several options were considered and it was decided to adopt the fees that had been originally recommended based on the standardized relative value methodology, rather than revert to the previous high fees.
6. To avoid significant premium increases, the Government decided to supplement the three entities from Government funds rather than raise people's health premiums in the middle of the year.
  - (i) The amount to be paid would be the difference between: (a) what these facilities would have earned if all BHB fees had been set using the recommended fees (relative value, cost-neutral method), and (b) the June 2017 fees (Figure 2)
  - (ii) The amounts being paid are based on services provided to patients.
7. Making health care more affordable is one of the most important Government initiatives.

*\*Increasing fees results in higher premiums because more money is needed to afford the higher fees. If premiums increase Government spends more on HIP, FutureCare, Subsidy, Financial Assistance and GEHI (Figure 1)*

**Figure 1: Why premiums increase if fees go up**



**Figure 2: How Government supplement was calculated (example fees)**

Pre-June 2017 Fee: \$1,000

Technical Recommended Fee: \$700

Fee set by former Government in June 2017: \$300

} \$400 Difference paid to BD, BHCS and BHB as Government supplement