



Islands of progress

The Caribbean's journey to
Universal Health Coverage

KPMG Center for Universal Health Coverage and
KPMG Islands Group



Over the next ten years, the Caribbean region has perhaps the best chance of any region that has yet to do so, of achieving universal health coverage.

The challenges are great, but so are the collective assets of the nations and the desire to achieve 'health for all'.

A spirit of collaboration can see this vision realized.

An unprecedented decade of health reform ahead

Health systems across Bermuda, The Bahamas and the Caribbean ("the Caribbean region") are preparing for an unprecedented period of reform, as governments set out their plans to achieve universal health coverage ("UHC"). Across the English- and Dutch-speaking islands in particular, almost all are currently at some stage of proposing, designing or implementing programs to improve coverage, quality and affordability of care.

The road to reaching these goals is not without economic, social, technical and political challenges, but in KPMG's view, the Caribbean region has a better chance than any other that has yet to do so, of achieving UHC by 2030.

This article outlines some of the unique solutions being adopted by the Caribbean region on their path to UHC. It sets out some of the key reforms currently underway across the region, the particular issues that are being encountered by island health systems working towards 'health for all', and the innovative assets, solutions and advantages that may enable these to be overcome.

Our findings represent the experience of KPMG teams who have personally delivered numerous UHC projects across the region, as well as interviews with health officials in nine countries and quantitative analysis of health system data. Countries participating in the survey include The Bahamas, Trinidad & Tobago, Barbados, Bermuda, Grenada, St. Lucia, Jamaica, Sint Maarten and Aruba.

We hope that this analysis is useful in sharing lessons and progress between decision makers and officials across the region, and catalyzing a more collectivist approach to UHC.

The current state



The Caribbean region is currently a focal point for action on the journey to universal health coverage. Most Governments in the region have committed to UHC to varying degrees and access to healthcare is an ever-present social, economic and political issue.



Category I - committed to UHC

Barbados

- EHR at Queen Elizabeth Hospital Implemented.
- NHI topic of public discourse

St. Vincent & the Grenadines

- NHI being contemplated by Government
- NHI Steering Committee established

Trinidad & Tobago

- NHI included in Government's manifesto
- New Couva Hospital constructed

Category II - designing and implementing

Dominica

- NHI in pilot stage

Grenada

- Currently designing NHI
- Implementing SMART Hospital retrofit

Jamaica

- Currently designing NHI
- Leveraging public private partnerships to expand local capacity

Montserrat

- Currently designing NHI

St. Kitts

- Currently designing NHI

St Lucia

- Currently designing NHI
- Corporatization of Victoria Hospital in development

St. Maarten

- Implementing National Health Reform to build a single National Health Insurance program.

Category III - expanding and improving

Antigua

- Medical Benefits Scheme provides financial and other benefits to beneficiaries who suffer from one or more of 11 covered chronic diseases.

Aruba

- UHC introduced in 2001
- Now experimenting with new value-based payment mechanisms

The Bahamas

- Primary Care Phase of NHI implemented - 40,000+ enrolled
- Expanded Employer Mandate Standard Health Benefit' currently in development

Bermuda

- Over 90% of residents have health insurance
- 100% coverage is a goal
- Focus on improving health outcomes and value through preventative care

Bonaire

- Since 2011, all legal residents have access to compulsory and comprehensive general health insurance.

British Virgin Islands

- NHI Operational with coverage expanding

Cayman

- Comprehensive coverage through both private and public (CINICO) insurance schemes
- Long-term residential mental health facility approved and soon to be constructed

Curacao

- Basic benefits package introduced in 2013
- Coverage now exceeds 90% of population

Turks and Caicos

- National Health Insurance Plan introduced in 2009 providing full coverage
- Focus on improving primary care clinics



Regional challenges

Impressive though the scale of commitment to UHC across the Caribbean region is, governments also face significant challenges in delivering on these promises. Barriers include those common to all UHC-aspiring nations – health system challenges, worker shortages, aging populations, rising chronic disease. But they also include unique problems that arise because of the nature of island health systems and factors particular to island economies and societies. Five distinctive shared challenges stand out:

1. Building a sufficient risk pool

Planning for and predicting the health needs of small populations is notoriously difficult. For small islands, a few patients requiring high cost drugs, specialist surgeries or intensive personal support can substantially skew the entire national health budget. For islands such as The Bahamas, Grenada and St Lucia that are currently implementing national health insurance schemes this is a particular risk.

With just two out of 24 islands in the English- and Dutch-speaking Caribbean possessing populations above one million, the challenge of forecasting and meeting the cost of small risk pools is considerable. If financial vulnerabilities are not managed or mitigated, healthcare payers may find they experience significant and unpredictable swings between deficit and surplus. Relatively few US health insurance schemes have risk pools with fewer than 500,000 lives. In contrast, most Caribbean nations have populations of fewer than 500,000 and many less than 50,000.

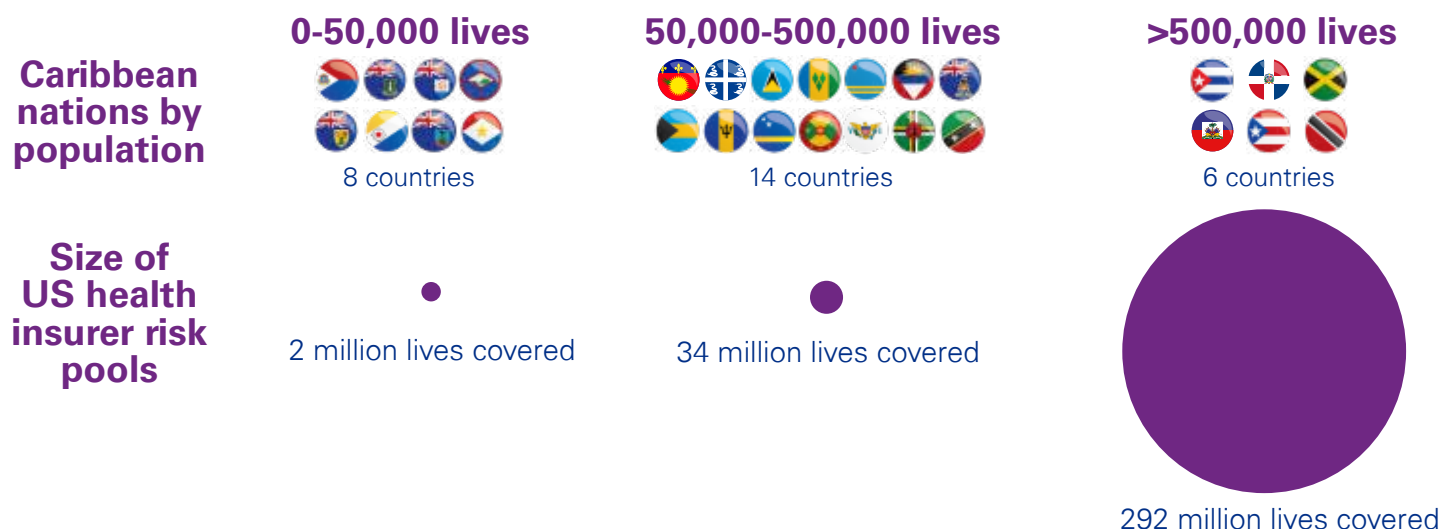
“A regional approach to health insurance makes sense. If we work together, we can expand our risk pool and spread out administration costs. It’s a challenge, but one that we must tackle, and can be done!”

Dr. Carlene Radix, Health Unit Lead, Organisation of Eastern Caribbean States Secretariat.

Countries in this position are essentially faced with four responses to mitigating this uncertainty:

- Charge higher premiums in order to create a financial buffer. This is inefficient and unnecessarily raises the costs of reform.
- Gradually add specified and affordable services for prevalent diseases over time, rather than trying to ‘offer all at once’, as is the case in The Bahamas.
- Strictly limit entitlements for high cost treatments. This improves predictability, but undermines a key facet of UHC, which is to protect families from healthcare costs that might otherwise force them into poverty.
- Find innovative ways of broadening the risk pool beyond the country’s borders. This could mean using a reinsurer to offset the risk, or even establishing joint pooling arrangements with neighboring nations – something that has been discussed but not yet acted upon.

Comparison of US health insurance risk pools with Caribbean populations



2. Financing comprehensive care for all

Healthcare is one of many demands on governments in the Caribbean region, and must compete against education, security, infrastructure and the environment to name but a few. UHC is not a low cost endeavor, and most countries that have achieved it spend at least 6% of their GDP on health.

Financing the promise of UHC by 2030 is a significant challenge for all island nations, regardless of their level of wealth. This comes at a time when many governments are experiencing flat or even declining revenues – a result of the still struggling global economy, volatility in oil prices and leveling off of the recent wave of introductions of value added taxes (“VAT”) made by a number of jurisdictions.

One factor that makes the financing of UHC more difficult is the shallow tax base of most island countries. Many jurisdictions apply no income tax, and material proportions of the population are either self-employed or not directly involved in the formal economy – and thus both are not visible to tax authorities and unlikely to possess private healthcare insurance.

Public financing is without doubt the most efficient and equitable means of paying for UHC reforms, but there need to be mechanisms to efficiently collect contributions, whether in the form of tax or insurance premiums.¹ Different island nations are looking at a wide range of

“We all must play a part in achieving UHC, this principle of a **shared responsibility** is at the heart of financing the future of NHI in our nation.”

Dr. Robin Roberts Chairman of The National Health Insurance Authority

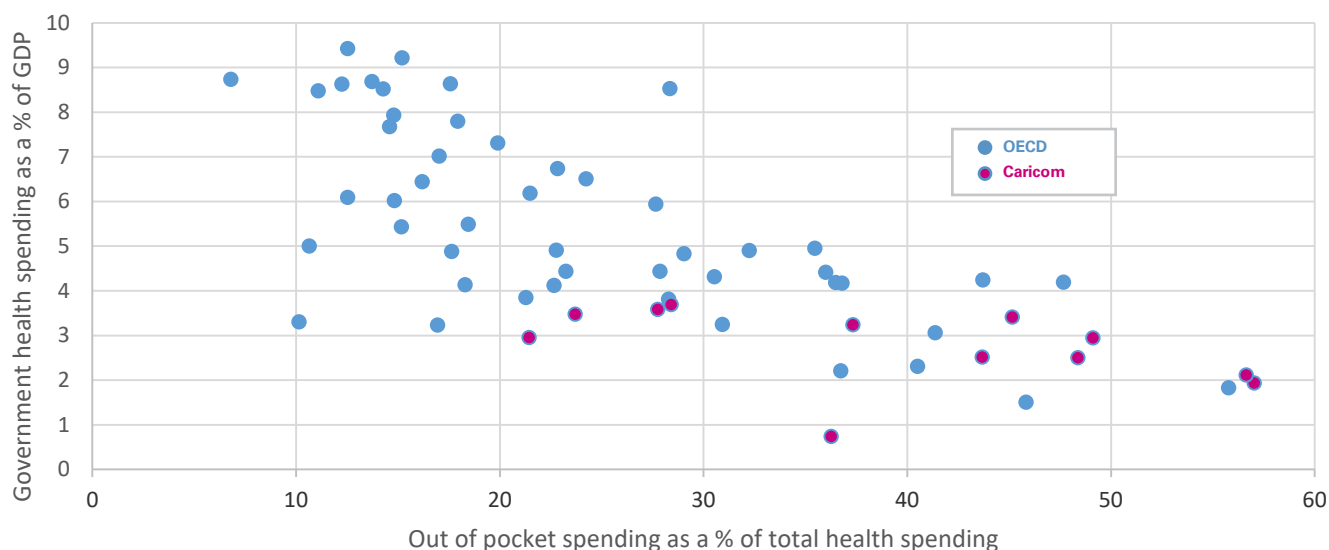
measures to raise the money needed to fund UHC. The Bahamas, for example, financed the primary care phase of its NHI program from the Central Government budget, with the next phase likely to be partially funded through mandated health insurance for employed persons, earmarked VAT on health insurance premiums and sin taxes on sugary drinks.

Government’s must also position health spending as an economic investment and not just a cost. An analysis by KPMG and Cambridge Econometrics projected that the primary care phase of NHI Bahamas alone would result in the economy being almost five percent larger within ageneration.²

² KPMG, Investing in health: An economic and qualitative analysis of the primary care phase of National Health Insurance in the Bahamas, 2016

¹ World Innovation Summit for Health, Delivering universal health coverage: A guide for policy makers, 2015

Relationship between Government health spending and out of pocket health spending (OECD and Caricom)*



* Countries with publicly available information

Setting up specialist **Centres of Excellence** would benefit the region, and can significantly increase the level of cooperation and collaboration that we seek to achieve especially in the area of health care.

Pauline Peters, Permanent Secretary, Grenada Ministry of Health, Social Security and International Business.



3. Making specialist services available

- The ultimate aim of UHC is to offer high quality healthcare services to everyone whilst ensuring patients and their families aren't exposed to financial hardship. Building a health system with the capacity and capability to deliver the full range of promotive, preventive, curative, rehabilitative and palliative care at a high value is a challenge for every UHC-aspiring nation. For island states in particular the provision of highly specialized services is a thorny problem.

Healthcare leaders understandably want to provide as many services as possible domestically, as offshoring means patients receive care far from home, and the money spent leaves the local economy. However, as medicine becomes ever more specialized, it becomes impossible to maintain world-class specialist services in every discipline - even for the largest island nations.

Full service tertiary hospitals in high-income countries regularly now have close to 15,000 employees, and super-specialty centers like New York Presbyterian hospital in the US have over 20,000 staff. This is higher than the entire working age population of some island economies, highlighting that it is simply not possible for small island health systems to feasibly afford all of the dedicated technologies and teams that modern medicine has to offer.

This is increasingly a problem that is not unique to islands – rural populations and even medium sized cities globally are now finding that they cannot sustain the full range of specialist clinical services within their local hospitals. Solutions are usually found in the creation of regional care networks, where agreements are made to downgrade some facilities and invest in the upgrading of others. As the rationalization of stroke care across England showed, this can produce dramatic improvements in patient outcomes. Nonetheless, managing local politics and public concerns can be difficult – often everyone will agree to the idea of regional systems of 'hub and spoke' care so long as their local provider gets to be the hub.

If your health system has weaknesses before a **major incident**, they will only be **magnified** and get worse **afterwards**

Joanne Persad, Programme Manager - Preparedness and Response, Caribbean Disasters Emergency Management Agency

4. Finding the capabilities and capacity to implement

A shortage of specialist skills and capacity isn't only an issue in the clinical realm. UHC implementations are often once-in-a-generation reforms of enormous size and complexity that take substantial public energy and investment to implement.

Work streams often include simultaneous changes to health system financial flows, tariffs, governance, IT, data, legislation and procurement, as well as programs of work to communicate the changes, enroll providers and engage the public.

In many cases the work involved in UHC implementations will be similar in scale whether the country has one million citizens or 100 million. Clearly, however, the public sector capacity of a small island state may be considerably smaller, meaning that a single civil servant can find themselves managing vast and complex areas of reforms, when the same program might fully employ several people in a larger health system.

Some of the most common implementation issues encountered across the region include:

- Lack of public appreciation of the time, effort and resources that health system reforms will require, such that they are perceived as 'delayed'.
- Reinventing the wheel by seeking to start every area of the reforms from scratch. While every country and health system is unique, there is little need for every country to individually research and design their own approaches to pricing, data flows, financial modeling and risk profiling.
- Not investing in the right support. Nervousness about spending on external support can deter policy makers from bringing in the right expertise at key stages of a reform – yet the costs of designing a sub-optimal system for the future are usually many times greater.
- Insufficient political support. The enormous technical detail of a UHC reform rightly consumes a significant degree of civil servants' capacity – however without the support and proactive attention of the country's most senior politicians, decisions can often be delayed or put off.
- Lack of a shared vision. One of the most common issues that hinder and delay reform is a lack of consensus not about the vision of UHC, but about its

implementation. Resistance to change from powerful stakeholders can lead to 'kicking the can down the road' on important system design decisions and is a recipe for frustration, uncertainty and ultimately the potential failure of any important reform. Finding a balance amongst stakeholders is critical and difficult.

5. Resilience to the headwinds of climate change

In recent years, the Caribbean region has felt the full force of the earth's shifting climate, with more frequent and severe hurricanes wreaking havoc on national health systems. In 2017, hurricanes Maria and Irma left all but one of Puerto Rico's 68 hospitals non-operational, forced the evacuation of a Bahamian island, and resulted in smaller islands such as Barbuda being declared uninhabitable.³

As governments across the region develop the infrastructure needed to deliver UHC, resilience to shocks will need to be a key design feature if they are to avoid seeing progress undone. PAHO estimate that around 70 percent of hospitals in the Caribbean region are in disaster prone areas.⁴ The SMART Hospital initiative is one major attempt for governments, supported by PAHO and the UK's Department for International Development, to prepare their health facilities for natural disasters. The program includes installation of reinforced roofs and windows, generators and rain water tanks and solar panels. Having completed 16 hospital projects across the Windward Islands, the initiative aims to cover 50 Caribbean hospitals by 2020.

Protecting facilities is just one component of a resilient health system, however. One area where most islands are still poorly prepared is digital health. Modern cloud-based patient records are still a rarity among Caribbean health systems, yet paper and local server-stored data are susceptible to hurricane damage - and if lost patients are at greater risk of medical errors in their care. Digitizing records is just the start – telehealth services are increasingly a core part of the disaster response strategies of mature health systems, as seen in the use of remote consultation companies MDLive, Doctors on Demand, Teladoc and others after Hurricane Harvey in the Southern United States.

³ <https://www.theguardian.com/world/2017/sep/27/puerto-rico-faces-a-health-crisis-made-worse-as-majority-of-hospitals-are-inadequate>

⁴ http://www.paho.org/disasters/index.php?option=com_docman&view=download&category_slug=program-documents&alias=2161-strategic-plan-2013-2018&Itemid=1179&lang=en

Caribbean solutions

Island health systems face unique challenges on the road to UHC, but they also have unique advantages too – not least that they can be nimble, innovative and design care systems that are closer to their communities. These assets can and must be part of the solution to achieving ‘health for all’ across the region. In doing so, the Caribbean region has an opportunity to lead the rest of the world.

Each jurisdiction is on its own UHC journey towards the right system and solution for its particular population, health issues, history, culture, and context. However, the challenges faced show that there are more similarities than differences, and more than a few of the potential solutions could benefit from greater collaboration and coordination between neighbouring islands.

There is tremendous advantage to learning from others and sharing alike. Various regional collaborations show what can be achieved through a collective approach in healthcare – Caricom and OECS both catalyzed success around the management of pandemics, HIV/AIDS and TB, the strong progress of the SMART Hospital’s initiative is a beacon of inter-island cooperation, and the OECS is now purchasing pharmaceuticals as a region.

For the achievement of UHC, four areas in particular stand out as prime candidates for greater inter-island collaboration to accelerate the pace of progress:

New Models of Care: First, there is a critical need for the region to develop and embrace new models of care. With so many communities located on small, and often remote, islands – where sustaining even a clinic can be challenging – the future of comprehensive care for all must surely have a major digital component. However, investing in mobile health technologies – such as medical helplines, remote diagnostics, decision support tools, wearables, automated supply chains and even artificial intelligence – can be very expensive. Spreading the costs of development and procurement across multiple health systems makes clear economic sense.

Re-imagining the health workforce to leverage the full scope of practice of trained clinicians and introducing community health workers into systems are practical ideas that can address the immediacy of health wellness and education. These solutions have been proved to be effective in delivering care to remote populations in resourced constrained areas in other parts of the world.

Collaboration: Second, collaboration among the many nations planning national health insurance systems will reduce duplication of effort and allow swifter and more sophisticated solutions to be developed. There have been success stories of regional collaboration in drug purchasing and wellness programming. A collective approach to risk pooling, albeit ambitious, can reduce cost volatility and function as an inter-island re-insurance model. Furthermore, by collaborating on the development of the funds available for design and implementation of UHC schemes, countries can invest in developing more sophisticated systems for population health management, strategic purchasing, data analytics and fraud control.

Regionalization: Third, a greater focus on regional care networks – how world class specialist services can be maintained and shared among smaller nations – would put the Caribbean region on a far steadier course for sustainable UHC. Though politically challenging, there is a compelling case to move towards more hub-and-spoke models for the more expensive forms of healthcare – not least in areas such as specialized surgery where evidence suggests that a critical mass of cases is required in order for clinical teams to maintain high standards. There are some examples of this already.

Quality: Finally, Ministries of Health and other policy makers must relentlessly pursue improved quality through health system strengthening. It could be argued that many island nations currently have universal access, however, levels of quality are perceived to be substandard by many. In a recent study published in the Lancet, it was reported that more people die in lower and middle income countries from poor quality health care than from lack of access to care. (Kruk, 2018). Achieving true UHC will require improvements to quality as well as access.

The journey to UHC is a difficult one that takes courage, creativity and unwavering commitment. But it is worth the effort. Leading health jurisdictions like Canada, the UK and Singapore have immortalized as national heroes those leaders who were able to make universal coverage a reality. The current generation of political and health system leaders across island nations have an equally historic opportunity to take their countries on a similar journey over the next decade.

Health for all by 2030 is an achievable vision for the Caribbean region – and the chances of realizing it are further increased if its peoples work together, where it makes sense to do so.



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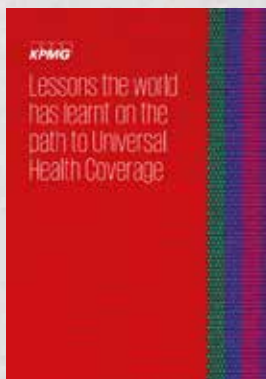
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Bookshelf

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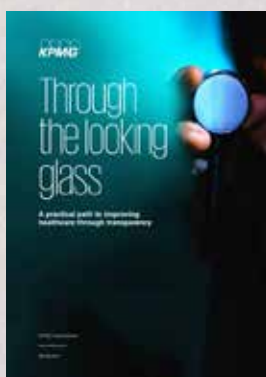
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Key insights from the KPMG Center of Universal Health Coverage and their unique experiences working on major health system projects across the world.



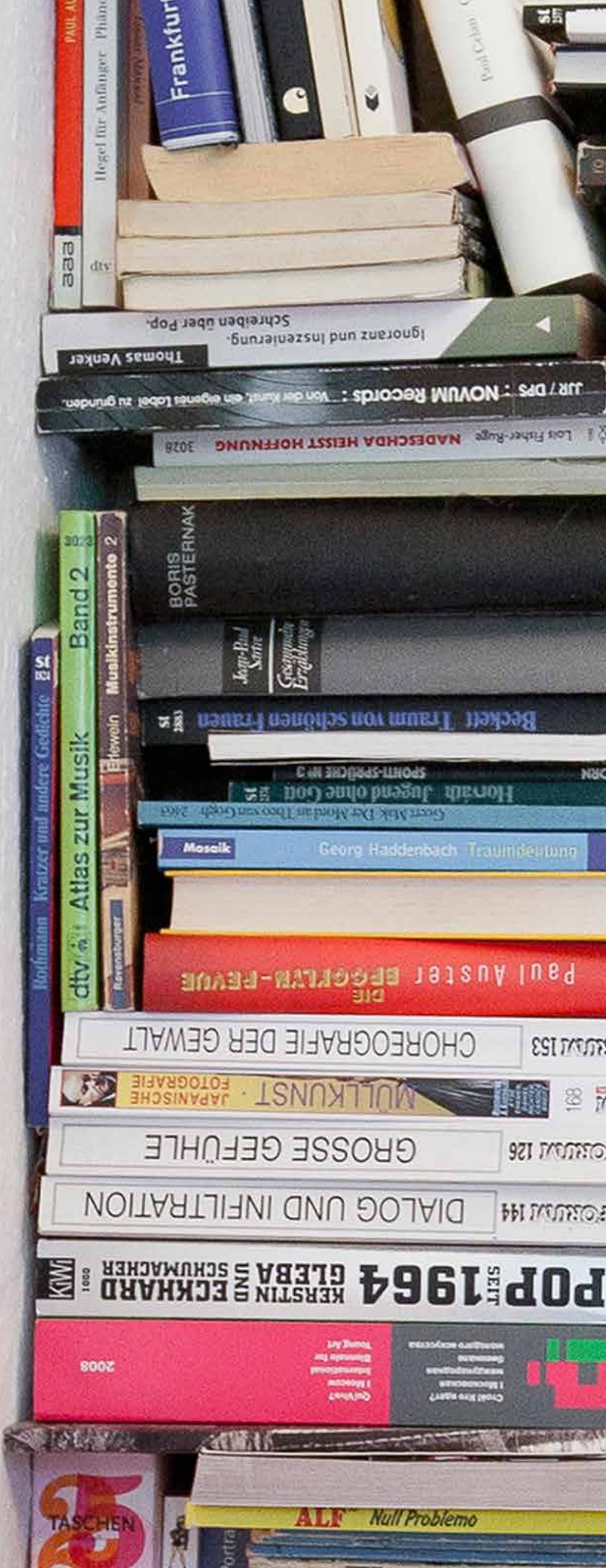
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KPMG Center for Universal Health Coverage

KPMG's Center for Universal Health Coverage (UHC) is the hub for our growing portfolio of global projects helping countries achieve 'health for all'. Leveraging the knowledge and experience of our 4,500 health professionals across 50 countries, our Center for UHC makes this expertise available to clients that wish to make real progress towards universal health coverage.

With every country worldwide having made the commitment to achieve UHC by 2030, many governments and institutions are looking to meet this goal in a way that is sustainable for the long term. UHC implementations are some of the most complex programs that any nation will ever embark on, with multiple strategic, technical and political hurdles.

KPMG's Center for UHC exists to help countries overcome these issues. We have developed an unmatched suite of tools, intelligence, insights and experience to make UHC reforms a success. Whether your priority is to introduce health insurance, strengthen providers' quality and efficiency, reform governance, find new financing sources, redesign payment models or initiate a comprehensive strategy that combines all of these and more, KPMG's Center for UHC can help you find and implement the right solution.

At the heart of our approach is the belief that success is best achieved by blending local understanding with a global mix of skills. By combining our Global Healthcare, International Development, Government and Infrastructure networks, the Center for UHC makes KPMG the leading partner for those that wish to transform their UHC vision into reality.

Major UHC workstreams



Financing



Service provision

Initiation	— Coverage model design and structure — Sources and application of funds	— Human and physical infrastructure expansion — Public health reform — Supply Chain
Preparation	— Governance and regulatory restructure — Data and Analytics	— New models of care delivery — Reform payment models and incentives
Implementation	— Front- and –back end IT — Provider market management	— Investment and Public-private partnerships — Redesign clinical protocols



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