



Bermuda Hospitals Board

Bermuda Hospitals Board releases internal management accounts data

Tuesday 18 February 2020: BHB is releasing internal management accounts data from fiscal year 2017, up to and including the third quarter of fiscal year 2020, the latest quarter available. These represent the data shared with staff and the Board, but are unaudited. BHB will continue to provide internal management accounts data quarterly and update information online, as BHB does with its quarterly posting of quality patient safety data, annual plan of projects, statistics by fiscal year and patient satisfaction data by fiscal year.

Additional resources that are already on BHB's website and can provide additional background to some or all of the years include details of projects, statistics and strategy documents developed:

- BHB statistics are posted by fiscal year, and figures for the fiscal years listed can be found here: <https://bermudahospitals.bm/about-us/news-media/bhb-statistics/>
- Quality and patient satisfaction data can be found here. Quality data has been posted since 2018, and patient satisfaction data from 2012-2019: <https://bermudahospitals.bm/about-us/about-us/quality-and-patient-satisfaction/>
- Strategy documents mentioned in this report, along with the annual plan of projects for each fiscal year from 2016/17, can be found here: <https://bermudahospitals.bm/about-us/about-us/vision-and-strategy/>

Update on the current status of BHB's auditing process since early February 2020:

- BHB's 2015 Annual Report has been submitted to the Ministry of Health to start the legislative process.
- The audit for the 2016 Financial Statements was signed off by the Auditor General last week.
- BHB is pleased to note that both fiscal years have received unqualified audits.
- The 2016 financial statements are being presented to BHB's Finance & Audit Subcommittee this month, after which the annual report will be laid out with a management report.
- Focus will now be on completing the auditing process for fiscal years 2017 to 2019.

Overview of internal management accounts data for full fiscal years 2017 to 2019:

Comparing the three full fiscal years between 2017 and 2019, total revenue rose from \$324.7 million to \$329.8 million between fiscal year 2017 and 2019, a rise of \$5.1 million or 1.5% over three years. The dip in revenue for 2018 represents a one-off \$25 million cut in hospital subsidy.

Total expenses rose from \$316.8 million to \$329.0 million over this time period, representing \$13 million or 3.9% in total.

A substantial increase was experienced in repairs and maintenance, which increased from \$18.9 million to \$26.9 million, which is 42% or \$8 million. This reflects the increasing cost of keeping the ageing KEMH General Wing and MWI facilities safe for patient care. Salaries and benefits, which includes overtime and the costs of casual staff, as well as regular salaries, rose 3% from \$188.7 million to \$194.3 million.

In the fiscal years 2017-19, BHB revenue was substantially made up of fee-for-service charges, with the addition of an MWI grant and a partial grant for long-term care. In June 2019, BHB moved to a fixed government grant of \$322 million.

Achievements over the three years included:

- Launch of a five-year BHB strategic plan in 2016/17, and the commitment to the triple aim of improving patient outcomes, improving patient satisfaction and reducing the per capita cost of care.
- Development and publishing of a Clinical Services Plan in 2018 to address improving the health and care of Bermuda's community, with better community management of chronic illness and a stronger safety net after discharge, to reducing the need for expensive hospital services.
- Development of a four-year Financial Recovery Plan to manage a \$25 million cut in hospital subsidy in 2017/18, which was revised in 2018/2019 due to the expectation of the fixed income agreement which was implemented in June 2019.
- Initiation of a Service Improvement Programme, with the support of KPMG, to improve effectiveness and efficiency of clinical and administrative processes.
- Collaborative partnership entered into with the Institute of Healthcare Improvement, to train and support clinical staff in working on quality improvement projects.
- Clinical agreement entered into with Johns Hopkins in 2019.

Bemuda Hospitals Board Uaudited Management Account Figures

BALANCE SHEET				
ASSETS	Dec-19 (9 mos)	March-19	March-18	March-17
Cash	\$ 18,632,888	\$ 34,861,140	\$ 27,217,603	\$ 68,655,141
Deposits & Bonds	29,776,472	24,460,552	51,452,195	52,271,332
Trade Receivables	60,624,871	51,415,736	40,467,460	19,466,945
Inventories & Other Assets	12,686,870	10,849,377	10,592,237	12,032,940
Total Current Assets	121,721,101	121,586,805	129,729,495	152,426,358
Capital & Other Assets	444,973,846	447,772,562	455,304,400	466,713,838
Total Assets	\$ 566,694,947	\$ 569,359,367	\$ 585,033,895	\$ 619,140,196
LIABILITIES & NET ASSETS				
Current Liabilities	\$ 39,254,553	\$ 39,338,703	\$ 42,693,560	\$ 51,432,421
Long Term Liabilities	296,403,424	298,254,570	305,347,745	307,298,724
Deferred Capital Contributions	48,528,779	50,103,779	52,203,779	54,403,779
Net Assets	182,508,191	184,287,160	184,788,811	206,005,272
Total Liabilities & Net Assets	\$ 566,694,947	\$ 571,984,212	\$ 585,033,895	\$ 619,140,196
INCOME STATEMENT				
	Dec-19 (9 mos)	March-19	March-18	March-17
Revenue				
Medical Revenue	\$ 208,606,242	\$ 274,784,331	\$ 249,858,398	\$ 271,318,341
Government Grants	38,476,150	46,970,000	45,030,000	46,882,000
Other Revenue	9,152,883	8,087,073	12,625,138	6,522,760
Total revenue	\$ 256,235,275	\$ 329,841,404	\$ 307,513,536	\$ 324,723,101
Expenses				
Salaries & Benefit	\$ 156,218,281	\$ 194,338,895	\$ 192,258,848	\$ 188,661,946
Operating Expenses				
General Supplies	\$ 10,450,265	\$ 10,563,112	\$ 8,492,032	\$ 11,998,675
Medical Supplies	22,653,640	28,843,445	29,678,695	31,484,765
Repairs & Maintenances	17,195,695	26,891,735	29,263,193	18,949,225
Other Operating Expenses	38,575,363	51,816,485	50,041,229	46,679,216
Depreciation	11,332,000	16,596,000	18,996,000	18,996,386
Total Operating Expenses	100,206,963	134,710,777	136,471,149	128,108,267
Total Expenses	\$ 256,425,244	\$ 329,049,672	\$ 328,729,997	\$ 316,770,213
Net Operating Income/Loss	\$ (189,969)	\$ 791,732	\$ (21,216,461)	\$ 7,952,888