CAYMAN ISLANDS

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THE HEALTH INSURANCE LAW
(2003 REVISION)

THE HEALTH INSURANCE (AMENDMENT) REGULATIONS, 2005

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ARRANGEMENT OF REGULATIONS

CAYMAN ISLANDS

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In exercise of the powers conferred by section 19 of the Health Insurance Law (2003 Revision), the Governor in Cabinet makes the following regulations -

Citation

1. These regulations may be cited as the Health Insurance (Amendment) Regulations, 2005.

Amendment of regulation 2 of the Health Insurance Regulations (2002 Revision) – definitions

2. The Health Insurance Regulations (2002 Revision), in these regulations referred to as "the principal regulations", are amended in regulation 2 as follows –

(a) by re-numbering the regulation as subregulation (1) of regulation 2; and

(b) by inserting after subregulation (1) the following subregulation –

"(2) For the purposes of the Standard Contracts set out in the First Schedule the following provisions apply –

A "network" is a collection of medical practitioners, hospitals and other providers of medical care ("medical providers") that:

(a) are under contract with an approved insurer and the contracts provide-

(i) for adequate notice requirements for termination by the approved insurer and medical providers;

(ii) that the medical provider maintain a minimum level of service to the approved insurer's subscribers (e.g. office hours per week for a physician) or other specified availability;

(iii) that the medical provider maintain operating licences in good standing with regulatory authorities;

(iv) that the medical provider agree to charge the approved insurer's subscribers only those cost sharing features (deductibles, copayments, etc.) provided for in the approved insurer's contracts with employers and individuals even if the approved insurer fails to pay the medical provider the balance required for services covered by the approved insurer; and

(b) collectively, can provide the bulk of the services covered under the approved insurer's policies.

Services are considered to be "in-network" when they are provided by a network medical provider.

Services are considered to be "out-of network" when provided by a medical provider not in the network. If the network cannot provide certain services required by the contracts (e.g. transplants), the approved insurer is obligated to identify a qualified medical provider to provide them. If the approved insurer cannot, the approved insurer is obligated to consider the medical provider selected by the insured person as "in-network". For emergency services, all medical providers are considered "in-network". For the Cayman Islands, a portion of the network would need to be located outside of the islands.

If an approved insurer does not have a network, all services would be considered to have been provided on an "in-network basis".".

Amendment of regulation 6 - premiums

3. The principal regulations are amended by repealing regulation 6 and substituting the following regulation -

"Premiums

6. (1) An approved insurer shall, not less than thirty days prior to first effecting a standard health insurance contract, notify the Commission of its standard rate for such contract and provide the Commission with -

(a) the minimum expected loss ratio of claims to premiums;

(b) a review of projection assumptions; and

(c) such other information as the Commission considers relevant.

(2) An approved insurer shall, not less than thirty days prior to first effecting an increase to its standard rate for a standard health insurance contract, notify the Commission of its intent to increase the standard rate and provide the Commission with such documents and information as the Commission considers necessary, including -

(a) the minimum expected loss ratio of claims to premiums;
(b) a detailed history of premiums and claims; and
(c) a review of projection assumptions.

(3) Where the Commission determines that the rate, or the proposed rate, of a standard premium is excessive, inadequate, unfairly discriminatory or unreasonable, the Commission -

(a) shall notify the relevant approved insurer accordingly; and
(b) after conducting an inquiry, may order such adjustment to the rate, or the proposed rate, as the Commission considers appropriate.

(4) An order made by the Commission under subregulation (3) shall take effect on the tenth day after the date on which the order was made.

(5) A person aggrieved by an order of the Commission under subregulation (3)(b) may, within thirty days of the date on which the order was made, appeal to the Grand Court in accordance with rules made by the Rules Committee for the purposes of this regulation.

(6) On an appeal under subregulation (5), the Grand Court may confirm or discharge the order of the Commission.

(7) A standard premium shall become due on the first day of the month for which it is payable.

(8) The part of the employee's premium payable by

the employee under sections 5 and 6 shall be paid at regular weekly or monthly periods during his employment.

(9) A person who fails to comply with subregulation (1) or (2) is guilty of an offence and liable on summary conviction to a fine of ten thousand dollars.

(10) In this regulation -

"projection assumptions" means conditions or circumstances that may affect a premium rate.".

Amendment of regulation 7 - cover

4. The principal regulations are amended in regulation 7 as follows -

(a) in subregulation (4) by repealing the words "for a period of three month from the date of termination of employment" and substituting the words "for a period of three months from the date of termination of employment or until he becomes employed, whichever is earlier"; and

(b) by repealing subregulation (6) and substituting the following subregulation -

" (6) Where an employee changes his employer and, prior to that change, the employee had been insured continuously for a period of not less than one year under one or more other health insurance contracts effected by an approved insurer, with breaks in insurance cover not exceeding sixty days in the aggregate, then -

(a) the approved insurer for the new employer shall not refuse to provide for the employee, his unemployed spouse and his children at a minimum, the insurance cover prescribed in Standard Contract 1;

(b) the insurance cover so provided to the employee, his unemployed spouse and his children shall not contain, with respect to the medical condition of the employee, his unemployed spouse or his children, any exclusions or limitations of cover that were not specified by the previous approved insurer;

(c) the insurance cover so provided to the employee, his unemployed spouse and his children may be provided at an increased premium but such premium shall not exceed the increase

(determined as a percentage) applied by the previous approved insurer; and

(d) for the purpose of applying any pre-existing condition requirements for the insurance cover prescribed in Standard Contract 1, the insurance cover of the employee, his unemployed spouse and his children shall be deemed to have begun on the date that it was deemed to have begun under the respective previous health insurance contracts effected by the previous approved insurer.".

Amendment of regulation 15 – identification card

5. The principal regulations are amended in regulation 15 by repealing subregulation (4) and substituting the following subregulations -

" (4) Where a person shows his identification card to a health care facility or a registered medical practitioner in relation to a medical benefit that is covered by a contract of health insurance and provided to him by the health care facility or the registered medical practitioner, the health care facility or the registered medical practitioner shall -

(a) accept the identification card; and

(b) verify that there is in existence a contract and benefits therein issued by an approved insurer to provide cover in relation to that person;

and, where such a contract exists, any claim under the contract in respect of the covered medical benefit so provided shall be deemed to be assigned to the health care facility or the registered medical practitioner, as the case may be.

(4a) A health care facility or a registered medical practitioner shall not be required, except in the case of an emergency, to provide any medical benefits to a person who fails or refuses to show his identification card.".

Repeal and substitution of regulation 17 – powers of inspectors

6. The principal regulations are amended by repealing regulation 17 and substituting the following regulation -

"Powers of inspectors

17. (1) An inspector shall, for the purpose of performing his functions under these regulations, have power -

(a) without previous notice and at all reasonable times, to enter and have access to, through and over any premises, where the inspector has reasonable grounds to believe any book,

paper, document, thing or electronically stored data are kept that relate to any matter under the Law or these regulations;

(b) to make examinations, investigations and inquiries, and require the production of any book, paper, document, thing or electronically stored data that relates to any matter under the Law or these regulations;

(c) to make, take, remove or require the making, taking or removal of copies or extracts that relate to any such examination, investigation or inquiry; and

(d) to exercise such other powers as may be reasonably necessary.

(2) An inspector shall not, pursuant to subregulation (1), enter a private residence without the consent of the occupier, and on entering any premises or place for the purposes of the Law or these regulations shall produce the identification card issued to him under regulation 16.

(3) An inspector may, for any purpose specified under this regulation, upon giving a receipt, remove any books, papers, documents or electronically stored data respecting health insurance and may copy such books, papers or other documents within a reasonable period of time and return them as soon as reasonably practicable after the copying is completed.

(4) A copy of any book, paper, document or electronically stored data respecting health insurance, made under this regulation by an inspector in the course of any investigation, examination or inquiry and certified by the Commission, is admissible in evidence in any action for all purposes for which the original would have been admissible.

(5) Where an owner or occupier of premises -

(a) denies entry or access to, through or over premises to an inspector;

(b) instructs the inspector to leave the premises;

(c) obstructs the inspector; or

(d) refuses to comply with a request for the production of any book, paper, document or

electronically stored data the production of which is requested for the purpose of examination and investigation or inquiry or for a purpose mentioned in subregulation (1),

he is guilty of an offence and liable on summary conviction to a fine of ten thousand dollars.

(6) Where any documents are held in or kept by means of a computer the powers of the inspector to require the supply of information and production of documents shall include powers -

(a) to require any person having charge of, or otherwise concerned with the operation of a computer or associated apparatus which is or has been in use in connection with such information or documents, to afford to the inspector such assistance as he may reasonably require; and

(b) to require the information or documents to be produced or copied in any form which the inspector may reasonably request.

(7) For the purposes of this regulation -

"document" includes any information or document held or kept by means of a computer.".

Amendment of regulation 19 – offences

7. The principal regulations are amended in regulation 19(1) by repealing the words "two hundred and fifty dollars" and substituting the words "five thousand dollars".

Amendment of regulation 21 – seamen and veterans

8. The principal regulations are amended in regulation 21 by repealing subregulation (1)(c) and substituting the following -

"(c) a veteran or his unemployed spouse or his children; or".

Amendment of First Schedule – prescribed health care benefits

9. The First Schedule to the principal regulations is amended as follows -

(a) in Part 1 of Standard Contract I by repealing the item "Coinsurance" and the particulars relating thereto and substituting the following item and particulars -

"Coinsurance	80% Inpatient / Outpatient Facility	N/A"

	Surgery to $2,500	

(b) in paragraph 11 of Part 3 of Standard Contract I by repealing the words "approved provider" and substituting the words "a registered medical practitioner or a health care facility";

(c) in Standard Contract II by repealing the item "Post Natal Care" and the particulars relating thereto and substituting the following item and particulars -

"Post Natal Care	80%	N/C"

(d) in Standard Contract III by repealing the item "Coinsurance" and the particulars relating thereto and substituting the following item and particulars -

"Coinsurance	80% Inpatient / Outpatient Facility Surgery to $2,000 except those specifically excluded	60% / All Services to $5,000 except those specifically excluded"

(e) in Standard Contract III by repealing the item "Outpatient" (where it appears in relation to **Mental Health** and **Substance Abuse**, respectively) and the particulars relating thereto and substituting the following item and particulars in relation to **Mental Health** and **Substance Abuse**, respectively -

"Outpatient*	$15 Copay Limit of 20 visits per calendar year	60% Limit of 20 visits per calendar year"

(f) in Standard Contract III by repealing the item "Chiropractor Visits (requires physician referral)" (where it appears in relation to **Substance Abuse**) and the particulars relating thereto and substituting the following item and particulars -

"Chiropractor Visits (requires physician referral)*	$15 Copay Limit of 20 visits per calendar year	60% Limit of 20 visits per calendar year"

(g) in Standard Contract IV by repealing the item "Coinsurance" and the particulars relating thereto and substituting the following item and particulars -

"Coinsurance	90% / Inpatient / Outpatient Facility Surgery to $1,000 except those specifically excluded	70% / All Services to $2,500 except those specifically excluded"

(h) in Standard Contract IV by repealing the item "Chiropractor Visits" (where it appears in relation to **Substance Abuse**) and the particulars relating thereto and substituting the following item and particulars - -

"Chiropractor Visits*	$15 Copay Limit of 20 visits per calendar year	60% Limit of 20 visits per calendar year"

and

(i) in Standard Contract IV by repealing all the words commencing with the words "For the purposes of the Standard Contracts II to IV -" and ending with the words "all services would be considered to have been provided on an "in-network basis" ".

Repeal of regulation 7 of the Health Insurance (Amendment) Regulations, 2004 - transitional provisions

10. Regulation 7 of the Health Insurance (Amendment) Regulations, 2004, is repealed.

Savings and transitional provisions

11. (1) A contract of health insurance that is in force immediately before the coming into force of Standard Contracts II to IV shall, on the first annual renewal date of the contract of health insurance following the coming into force of Standard Contracts II to IV, be converted into the standard health insurance contract to which it is most similar at a fair and reasonable rate determined in accordance with the same methodology as used in rating the contract of health insurance.

(2) In this regulation -

"Standard Contracts II to IV" means Standard Contracts II to IV set out in the First Schedule.

Made in Cabinet the 25th day of February, 2005.

Carmena Watler

Clerk of the Cabinet

These Regulations were approved by the Legislative Assembly on the 2nd day of March, 2005, by Government Motion No.11 of 2004/2005, in compliance with section 19 of the Health Insurance Law (2003 Revision).

Wendy Lauer Ebanks

Clerk of the Legislative Assembly