DRAFT
Interim Future State Report
February 3, 2019

INTRODUCTION

This high-level, draft, interim report has been produced at your request to inform Government's budgeting process as we work to finalise BermudaFirst's more substantive Future State Report.

The Current State Report focused on four components, which reflected common themes coming out of the initial efforts of our eight Working Groups: Community, Agility, Immigration/Talent Assessment and Infrastructure. More specifically:

- There is growth in the number of "working poor" and financially challenged middle class households. Financial hardship caused by wage disparities, the rising cost of electricity, food and health care are significantly impacting many Bermudians. Furthermore, housing continues to consume a large portion of household income. The basic needs of nuclear families are not being met and as a result, social dysfunction and financial hardship are on the rise, inevitably leading to a decline in positive citizenship.
- Data reflects that those aged 55+ will form the largest component of our population by 2025. We have not, as a country, prioritised the impending housing, health care or quality of life challenges that we have long known exist.
- The health care industry is fractured, expensive and inefficient, and is no longer sustainable.
- Bermuda's existing education system is ineffective. It does not meet world-class standards and is not producing world-class results. Oversight by the Ministry of Education for the past 20 years has not produced success.
- We must become a society that gets to answers quickly and can move efficiently and effectively to address challenges and/or take advantage of the opportunities that arise. The existing incomplete, outdated, insufficient, not readily accessible, under-utilised and/or non-existent data hinders both Government and the Private Sector to do so.
- Legislation and policy need to be reviewed, updated and right-sized to improve its effectiveness and regulatory bodies need the leadership, subject matter expertise and experience necessary for enhanced decision-making. Enacting these things will become an accelerator to Bermuda's success.
- There is a need to expand Bermuda's population to create a sustainable infrastructure and to ensure that where necessary, public and private sector can employ the skillsets required to be successful. Appropriate immigration regulation and policy is required to ensure that Bermuda has access to the level of talent, experience and inward investment needed to thrive, while also ensuring that Bermudians are the ultimate beneficiaries.
- It is critical that Senior Civil Servants within Government have the necessary skills, experience and leadership capabilities to lead the transformative initiatives required to ensure Bermuda's long-term success. A talent assessment will inform and affirm the capacity of incumbents and identify existing gaps that can be addressed through professional development.
- Whether considering housing, transportation, hospitality & tourism or sewage treatment, Bermuda's overall infrastructure lacks resilience and is inadequate for economic development or the improvement of social equity and quality of life.

The Current State findings created the springboard for BermudaFirst's eight Working Groups to identify a future state for the Country that will not only address existing gaps, but also transform Bermuda into a thriving example for other jurisdictions across many sectors. While recommendations were devised within sector specific working groups, the interconnectivity of needs and recommendations must be reflected. To that end, as we work to finalise the final Future State Report, we are transitioning to a framework broken out by the following segments: Individual, Community, Business, Bermuda overall. More specifically:

- Individual – impact at a household level
- Community –community overall
- Business – overall business sector
- Bermuda – overall as a jurisdiction

Not only is there direct correlation between the originally stated themes, we believe the new framework provides a more effective model for communicating the Future State Recommendations in a way that will ultimately provide context, rationale and understanding.

As a jurisdiction we are not on a path to sustainable long-term success. Now is the moment for honest discussion and debate, and more importantly, ACTION. We have very serious challenges that demand a holistic solution ~ a solution that requires all segments of Bermuda to work together.

With Bermuda's decreasing and aging population, growing our economy is of absolute importance. Only growth through population expansion and inward investment will enable the Government to pay for the transformative recommendations included within this document.

The following quote from Steven Hawking speaks to both the challenge and the opportunity of being a small island nation: "*WE ARE VERY VERY SMALL BUT WE ARE PROFOUNDLY CAPABLE OF VERY BIG THINGS".*

Bermuda IS capable of achieving very big things; however, in order to achieve the success we desire and deserve, ALL segments of our country must work together. It is time for our citizens to transition from a focus on "me" to a focus on "we" ~ what do we as a community need and want? As importantly, every citizen must be willing to take responsibility for their own personal development and success rather than wait for the Government, the Community or the Business Sector to provide the solution to their challenges.

In the absence of authentic conversation and the self-accountability and involvement of all citizens, we will not realise our full potential.

Government must become agile, adaptive, responsive, effective, cost efficient and accountable. This includes ensuring the necessary talent, skillsets and experience are in place throughout the Civil Service. The Private Sector needs to lead the increase in Economic Participation and support initiatives that empower Bermuda's success; and our Citizens must engage, embrace change and share common objectives. These three levels of engagement must occur collaboratively if we are to succeed.

The Future State recommendations are presented in three categories: High Priority, Quick Wins and All Other Recommendations put forth by the eight Working Groups. Recommendations were developed based on further review of current state documents, robust stakeholder engagement and a review of relevant, available data in the areas of economic diversification, education, health care, hospitality and tourism, infrastructure, international business, socioeconomic foundations and technology.

High Priority recommendations will require a plan for implementation and will most likely require subject matter expertise from outside of Bermuda. With this in mind, we recommend a line item in the upcoming budget of no less than $5 Million to fund the required resources to assist in implementation.

Henry Kissinger once said, *"The task of the leader is to get his people from where they are to where they have not been."* As the Leader of this country, you have a unique opportunity to create meaningful, sustainable change. Your bold leadership is essential in galvanizing all sectors of our community and bringing us together. We look forward to further discussing the recommendations presented herein.

HIGH PRIORITY RECOMMENDATIONS

The following priority recommendations are vitally important to transforming Bermuda from its current state to a thriving jurisdiction where all citizens have the opportunity and confidence to participate in their own economy. It is essential that the vision of a better, more equitable Bermuda is realised. This cannot be done without bold, transformational actions that are implemented effectively and efficiently.

1. **Create an independent authority for public education that is responsible for the performance management of educators, and researching and implementing a holistic public education system that is appropriately sized/structured, resulting in a learning environment that facilitates optimum student success.**

    The need for quality education touches every sector of Bermuda. It was Kofi Annan who said, *"Education is a human right with immense power to transform. On its foundation rests the cornerstone of freedom, democracy and the sustainability of human development".* The gravity and truth in this statement is relevant, inspiring and a call to action for modern societies.

    The creation of an independent authority for education is a transformative solution to the challenges plaguing public education in Bermuda. Ministerial oversight of public education in Bermuda has not resulted in significant demonstrable improvements in the education system of student performance over the last 20 years. Creating an independent authority is essential to providing an effective education system resulting in students who perform at a globally acceptable standard of excellence and we would expect consistent and appropriate engagement with the Minister of Education. It is a critical component of Bermuda's success that touches every sector of Bermuda. Creating a culture with an emphasis on lifelong learning is also imperative to Bermuda's success.

    We believe there is a significant level of interconnection between our education needs and a successful workforce development plan and have a long-term view of a merged approach. Given the critical needs of both, however, in the interim we have recommended two independent authorities to ensure successful implementation in the short-term.

    Included within this recommendation is:
    i.   Creating an independent authority for Workforce Development and implementing the National Workforce Development Plan.
    ii.   Hospitality education, industry training and community engagement on the topic of hospitality to foster a community that understands and values hospitality, encourages Bermudians to seek careers in this growing industry and provides the training needed for individuals to be successful in their roles.
    iii. Equipping the members of our community, young people and mature individuals alike, to thrive in an environment of increasing technological advancements.

        a. Within the Education System
            – Implement an integrated technology platform that includes all aspects of the education experience (i.e. online curriculum/resources, grading, classroom management, communications, portal etc.)

- Require all educators to be appropriately trained in the use of technology to enable their own use and their support of students' technology education/experience;
- Incorporate coding and computing into the core curriculum to promote critical thinking and problem-solving (i.e.- 3D printing, AI, machine-learning, robotics, programming genome etc.); and
- Embrace a shift in culture about the use and management of devices in the classroom.

2. **Create a holistic health care system that prioritises prevention, chronic disease management, health care delivery via primary care and restructures the health system financing (including BHB/hospital financing and reformation of the Standard Health Benefit.**

The current health system is not sustainable from the perspective of cost, service provision or capacity. Prevention is a critical component to shift the current usage levels caused by chronic diseases that are greatly impacted by life style. A culture of lifelong learning and the creation of a wellness community is imperative in disease prevention. Every element of Bermuda's society (public and private) must engage and commit to the importance of prevention, the promotion of lifestyle choices that support healthy living and make prevention an integral part of policy and practice. Citizens must take pro-active ownership of their own health.

Please refer to the comprehensive recommendations listed under "All Other Recommendations" for the actions necessary to support the implementation of this critical priority.

3. **Lower cost of living through:**
   i. **Decreasing cost of staple food items;**
   ii. **Decreasing energy costs;**
   iii. **Decreasing health care costs; and**
   iv. **Lowering rents.**

Lowering the cost of living is a matter of urgency for Bermuda. Increasingly, Bermudians are finding it difficult to "make ends meet." Bermuda has a growing population of "working poor" and financial challenge is not only an issue for low income households. Safety nets are increasingly being created for low income households. High net worth households can typically manage tax increases with little impact to their standard of living. It is vital that the already shrinking middle class not contract further and that Government consider this when contemplating changes to existing, or the introduction of new, taxation.

4. **Strengthening community support systems through assessment and amalgamation of charities, ultimately strengthening the charities and their offerings.**

The need to strengthen the charitable sector is important as it provides a necessary safety net for the Community; in many instances providing supplementary or non-existent services that Government may not have the capacity to provide.

5. **Provide affordable housing for at risk populations, low and middle-income families.**

Housing must be affordable, suitable and of good quality. Suitable housing is critical for at risk and vulnerable populations such as seniors and victims of domestic violence. Dwellings for this demographic must also be fit for purpose. For seniors in particular, Bermuda is already in an unsustainable position.

Furthermore, that fact that Bermuda's senior population will comprise the largest component of Bermuda's population by 2025, will thrust this current crisis to the forefront of the Bermuda community and Government's priorities.

6. **Institute a transportation system, inclusive of public and private sector solutions, that meets the current and future needs of the Country.**

   The current transportation system includes unreliable public transportation, a lack of progressive transportation solutions (i.e. Uber-like platform), limited "green" transportation sources and insufficient transportation supply on a 24/7 basis, as well as during peak tourism periods, that meets market standards.

7. **Develop a holistic, strategic approach to amending the existing 60/40 legislation to encourage more foreign investment/fresh capital into Bermuda's economy. This should include appropriate consideration of immigration matters and the establishment of acceptable thresholds to ensure that Bermudian entrepreneurs are not subject to unfair levels of competition.**

   Growing Bermuda's economy is key to ensuring all Bermudians who wish and are able to work have access to employment and life-long learning and professional development opportunities. Fresh capital is needed to facilitate economic growth and Government must move aggressively to attract inward investment.

8. **Address Bermuda's current debt burden issue.**

   Bermuda's current debt level is unsustainable and puts our country's rating and financial future at risk. To address the issue, Bermuda needs to:

   i.   identify the ideal debt to GBP ratio and improve our ratio to that level; and
   ii.   focus on obtaining and maintaining a favorable credit rating that is in line with the needs and goals of our country.

   To manage debt going forward, a debt management programme must be implemented. As part of this, the introduction of an Advisory Council is recommended to review and approve future debt increases, as well as a Debt Oversight Committee, to ensure that debt raised is used for an appropriate purpose.

   More generally, we need to become more innovative in sourcing financing for future projects. Examples include use of privatisation, private-public partnerships and/or issue of Bermuda-dollar denominated bonds to Bermudians.

9. **Reform immigration to enable job creation with appropriate protections.**

   Bermuda must attract and retain the best talent if we want to remain competitive and at the forefront of innovation. Job creation hinges on this and we must find the balance in ensuring businesses have access to the talent they require, while developing appropriate protections for Bermudians without being

protectionist. We recommend addressing the Immigration Reform Initiative, which is currently at a standstill, by:

i. Aligning Government's goals (e.g. GDP growth, attractive International Business (IB) domicile, increased population, etc.) with immigration policies;

ii. Shifting the mindset of the Immigration Department so that it recognises the needs of the business community, and the balance we are seeking to achieve;

iii. Resolving the issues associated with family and long-term residency;

iv. Adopting a workforce approach with companies that includes understanding their business model, organisational talent needs, expectations for Bermudian inclusion and accountability milestones for meeting Bermudianisation agreements in exchange for issuing all work permits required by such companies;

v. Introducing a work permit scheme for the IB sector that can cater to the unique staffing needs of international businesses. One example would be distinguishing between work permits for Group employees who are in Bermuda on a rotation basis vs. those employees who are expected to fill long term jobs; and

vi. Automating and streamlining the immigration process overall.

Undertaking these steps will produce more jobs for Bermudians than the present immigration regime achieves.

10. **Position Bermuda as a World leader in Government E-Services by 2022.**

The immediate implementation of appropriate technology solutions throughout Government is a critical component of decreasing Government spending on an ongoing basis. It will also have a positive impact on decreasing the cost of doing business in Bermuda. There is an opportunity for Bermuda to become an example to other jurisdictions with the implementation of a comprehensive E-Services programme.

i. Transition all possible Government service to E-Services.

   a. Built on a data-centric, common architecture/platform that implements the policies Government wants to adopt within emerging global standards, regulations and inter-operability;

   b. Identify existing commonalities and efficiencies across all Government technology platforms;

   c. Analyse and implement where appropriate, digital transformation (i.e. distributed ledger technology (DLT), artificial intelligence (AI), 3D printing, machine-learning, etc.);

   d. Ensure alignment with UN, OECD and other emerging standards (i.e. Citizen-owned data, self-sovereignty, etc.);

   e. Include key stakeholders (i.e. Quangos, Funded Entities (i.e. BTA)) - cross-stakeholder collaboration to ensure internal and external inter-operability, appropriate integration and that all are working from common policies and criteria;

   f. Create a portal for collaboration and coordination of stakeholders to share information on technology-related opportunities within Government and Bermuda overall and to ensure Government's newly established technology best practices are known and easy to adopt;

   g. Host facilitated communication/collaboration sessions of all technology working groups (i.e. ECAB, Cyber Risk Working Group, etc.), the desired outcome of which is publicly searchable smart data (input of data to be frictionless - easy);

   h. Digital transformation and automation of Government workflows (i.e. company incorporation process);

   i. Streamline, digitise and automate Immigration process and board crossing; and

    j.   Implement a common identifier that links disparate data silos to ensure efficiency of cross-referencing data sets.

ii.   Support the introduction of new 'smart/E-Services' within Government and externally by technology entrepreneurs.

    a.   Ensure appropriate legislation is in place to support alternative payment options; and

    b.   Technology improvements for transport in Bermuda, (i.e. UBER-like platform, electric vehicles, App to report pot holes and/or other government related initiatives, Live transportation updates at bus stops and/or through APP, etc.).

QUICK WIN RECOMMENDATIONS

The following Quick Win recommendations are broken out by sector, support the priority recommendations and could be executed within three to eighteen months.

Economic Diversification
1. Commercial Real Estate - Government should liberalise the ownership restrictions over commercial real estate to promote an environment that encourages a positive response to the EU's substance requirements and provides opportunity for revitalisation of certain areas in need of urban renewal, initially concentrating on the City of Hamilton, but being available for other areas.

Education
1. Develop and enact mental health legislation for students. Currently, there is no mental health legislation and there are a number of students in the public education system with mental health challenges. Legislation would provide clarity and a framework for supporting these students in the school setting.
2. Collection of performance and attendance data on a yearly basis from all private schools, home schools and tutorial sites. It is imperative that the Ministry of Education have a clear understanding and be able to report on the performance of all students in Bermuda's education system.

Hospitality and Tourism
1. Implement a local communication strategy highlighting the importance/benefits of tourism.
2. Eliminate yearly re-licensing for hotels yearly.
3. Modernise the liquor licensing process.
4. Eliminate the moratorium on electric rental vehicles.
5. Allow hotels to have a mini bus license.

Infrastructure
1. Allow the importation of second-hand electric cars that meet all local standards.
2. Remove the moratorium on electric rental cars.
3. Legislate that all cars and bikes imported as of 2023 are electric.
4. Replace Government vehicles, when they age, with electric vehicles, where applicable.
5. Enact and enforce emission standards legislation.
6. Maintain the hazardous waste budget without making further cuts.
7. Eliminate current inefficiencies in the potable water system and increase reserves.

International Business
1. Enhance the regulatory approach to make it even more collaborative and proactive.

    Bermuda Monetary Authority (BMA) and other IB regulators have established a strong, reputable regulatory framework that meets or exceeds international standards (Solvency II equivalence, Basel III, CFATF). Bermuda has signed and complied with multiple TIEAs. This is to be applauded.

    To assist the IB sector in addressing future adverse changes and to capitalise on the requirements of Economic Substance, the Industry and the Regulators need to increase the level of collaboration and

proactivity. Collaboration can be achieved by increased industry involvement in regulatory discussions, with timely and meaningful representation from all segments of the Industry who will be impacted.

A proactive approach could be taken by building stronger relationships in key jurisdictions with both regulators and important influencers. The creation of a Rapid Response Committee that meets at least once a month to discuss / monitor upcoming fiscal and regulatory issues and prepares key stakeholders to speak with "one voice" in the event of a possible crisis is also recommended.

2. Remain proactive and agile by staying at the forefront of innovation.

In a rapidly changing business world, we must broaden our focus beyond insurance, while limiting it to a few opportunities that have real growth potential. These areas include FinTech and InsurTech innovation. The Government has been very proactive in this regard and its efforts should be supported and balanced against the reputational risks involved in this new area.

To foster an enabling environment to allow new ideas to come to market we need to encourage innovation through initiatives and programmes by the:
   – Introduction and maintenance of an incubator program; and
   – Creation of an economic-free zone to encourage innovation.

This will not just help generate new business but will create high quality employment opportunities for Bermudians.

3. Improve the current legislative drafting process.

Our legislation, organisational and economic policies are required to be constructed in a way that can anticipate and adapt rapidly in the face of change. To help with this, we recommend that both the IB sector and Government work closely together to minimise bureaucracy that negatively impacts our competitive advantage. In particular, we need to improve the current legislative process from both a timing and quality perspective by:
   – Decreasing uncertainty in approval processes;
   – Adopting a balanced approach between serving the needs of new potential business vs. strengthening the position of existing businesses;
   – Process transformation leveraging technology where possible, in order to eliminate inefficiencies;
   – Enhanced messaging to ensure that changes are appropriately communicated to all stakeholders; and
   – Standardised templates to facilitate new business that is understood and accepted by all parties involved.

Socioeconomic Foundations
1. Implement a temporary hardship allowance for qualifying homeowners.
2. Institute a mandatory form that captures key demographic information (similar to previous CURE form) for completion by all job applicants, that is submitted to the appropriate Government department by the hiring employer. The data would be used to identify the diversity within organisations and inform strategic initiatives to encourage Bermudian hires.

Technology

1. Implement a federated decentralised governance model for Government technology oversight, with the immediate appointment (within 2019) of a suitably qualified and paid CIO who has broad control over all IT for Government and is tasked with development a Government-wide IT strategy.
   i. Any contract beyond $25,000 must be approved by the CIO or someone allocated by the CIO;
   ii. Re-engage the IT Secretariat Model;
   iii. Set up a reference framework of categories for technology projects with clearly defined levels of oversight (i.e. budget, impact, risks, security, etc.);
   iv. Implement legal/contracting criteria – set appropriate KPIs (i.e. implementation schedule, budget, contract specs, etc.), undertake a review of how contracts are reviewed and set a minimum level of criteria for contracts;
   v. Ensure appropriate financial oversight of technology-related spending;
   vi. Undertake a strategic review of existing and future contracts above $25,000 to ensure contracts being entered into by Government departments align with Government's overall strategy; and
   vii. Review Government's RFP process to ensure it is appropriate for effective and timely implementation of technology contracts, with inclusion of agreed local equivalency for competitive review.

2. Provide learning/develop opportunities outside of the school environment to ensure no one is left behind in a technology-driven society. It is recommended that until Government can address recommendations pertaining to technology within the education system, that they partner and work with existing organisations who can bridge the existing technology gaps.
   i. Develop resources to promote overall awareness and services re: cyber bullying, digital citizenship (i.e. appropriate online behavior), computer ethics, etc.;
   ii. Use of knowledge-based Government portal to educate students and mature learners that incorporates an incentive mechanism to motivate its use;
   iii. Include a re-skilling component for existing, Bermudians who are looking to re-skill and re-enter the market, shift their career path and/or elevate their ability and confidence in adapting to a more technology-driven society; and
   iv. Provide training, re-skilling and technology-related networking opportunities through an online portal with a specific focus on attracting and redomiciling Bermudians who have left the Country.

3. Significantly simplify and accelerate the process of establishing technology companies in Bermuda.
   i. Set Classification structure/standards to align appropriate support for varying technology company types/sizes to provide a pathway for successful growth in Bermuda;
   ii. Within the classification structure, ensure relevant technology start-ups have access to necessary capital through the creation of a pathway/framework inclusive of mentoring support and connectivity to technology founders/incubators;
   iii. Automate company registration process;
   iv. Provide a pathway to connecting relevant start-ups to appropriate funding resources (i.e. Angel investors, infrastructure fund, etc.); and
   v. For Bermuda start-ups, create an environment that encourages local companies to pilot their new products, providing opportunities to refine a Proof-of-Concept into a production system.

ALL REMAINING RECOMMENDATIONS

The following recommendations reflect the balance of recommendations put forward by each respective Working Group and excludes those recommendations previously listed under Priority Recommendations and Quick Wins.

Economic Diversification
1. Container Ship Hub - Develop a strategy that attracts local and international ship owners to utilise Bermuda as a hub for container ships, with consideration being given to construction of a commercial shipping port for such work. This would also provide the opportunity to redevelop the existing Hamilton docks area into an attractive Waterfront amenity;
2. Renewable Energy - Bermuda Government to articulate the role of renewable energy (solar, wind and wave energy), develop legislation and any related incentives to encourage utilisation and align to the overall National Energy Plan (refer to Infrastructure Working Committee);
3. Aqua (Ocean) Culture - Work with Government departments and industry stakeholders to develop a strategy for ocean agriculture culture, along with developing the policies and processes to support it;
4. Vertical Farming (fruits/vegetables) - Develop a holistic plan that incentivises providers and producers (farmers) to develop sustainable alternatives to traditional farming;
5. Super Yachts - Enable legislative changes to make Bermuda an attractive jurisdiction for chartering and registering superyachts, with a parallel focus on attracting races and other events;
6. Ocean Economy - Develop a strategic plan that will start to leverage the economic benefit of the ocean while protecting its health and sustainability;

Education
1. Require all principals to be certified and demonstrate innovative thinking, strong performance management skills, excellent instructional leadership skills and the ability to strategically optimise the fiscal, physical and human resources at their schools;
2. Require all teachers to be internationally certified from a list of institutions screened and approved by the Department of Education and subject matter experts who participate in regular, meaningful, approved professional development;
3. Require all schools to demonstrate the ability to create an environment that supports the needs of children and encourages all students in their desire to achieve;
4. Create a public-school system where a minimum of 80% of all local students graduate with a high school diploma that meets internationally recognised academic or vocational qualifications; and
5. Support the implementation of the Bermuda College strategic plan.

Hospitality and Tourism
1. Provide an environment that supports revenue generation and cost efficiencies for hotels and restaurants; and
2. Support the implementation of the Bermuda Tourism Authority's National Tourism Plan.

Health Care

1. Prioritise Health Care Delivery Via Primary Care and Restructure Health System Financing.
   i. Develop a financial structure, supporting legislation and a direct primary care reimbursement model that is a low-cost solution to improve quality care to the 6,000 citizens who are on Government subsidy and reduces the utilisation of acute care services;
   ii. Incentivise physicians for providing care to these 6,000 citizens (i.e. by reducing or removing payroll tax);
   iii. Bermuda Hospital Board (BHB) and Hospital Financing
        a. Stabilise funding at BHB using a cap and collar funding model that guarantees a minimum level of funding (collar) and maximum retainable surplus (cap) supplied by the Ministry of Finance (MoF);
        b. Establish a Health Commissioning Unit (HCU) within the MoF that adjudicates the pricing of health care services and payors to ensure long-term economic performance objectives are met; and
        c. Determine an appropriate strategy of nationalising the BHB Acute Care Wing debt in advance of the liability being consolidated with Bermuda Government debt.
   iv. Reform Standard Health Benefit (SHB)
        a. Deconstruct SHB and replace it with a modernised reimbursement scheme;
        b. Instead of SHB solely depending on a fee for service model, create a pooling system that aligns residents to insurance packages based on their income. This model will require Government to regulate fees and insurers to establish set-rates. Also, offer the insured a set number of primary care, hospital care, etc. visits. Additions can be added to packages at set rates;
        c. Publish SHB pricing and information to better assist physicians and other health care providers with making more informed referrals for patients;
        d. Make primary care the center of health care. In doing so, develop a direct primary care model that is vertically integrated from primary care providers, to BHB, then post-acute care providers; and
        e. Revisit the pricing model for overseas care.

2. Health Care Regulation
   i. Delegate responsibility for the regulation of physicians and medical practices to the BMC
   ii. Gazette Section 13 of the Bermuda Health Council Act to provide regulatory powers and introduce Certificate of Need (CoN) legislation;
   iii. Reset the Bermuda Health Council's (BHeC) mandate to focus on health system performance assessment, regulation of services and equipment (via CoN) and regulation of unregulated (non-medical) providers;
   iv. Prescribe responsibility to the BHB for referrals to overseas tertiary hospitals; and
   v. Establish an MoF and key health care stakeholders based HCU to adjudicate health system economic analysis, planning and commissioning of prices for providers and payors.

3. Universal Coverage & Universal Access
    i.   Provide universal access to effective care without undue financial burden;
    ii.   Deconstruct the Youth Subsidy and the Claims Subsidy and introduce a needs-based premium subsidy so that all legal residents can be insured for health care;
    iii. In a system that legislates universal coverage, health insurers cannot exclude based on pre-existing conditions;
    iv.   More regulation and enforcement when local health care providers refer patients to providers overseas. Currently, providers on island need to develop stronger relationships with patients and better advise them on available care based on their insurance coverage and income. After the implementation of the pooling plan (see Reform SHB), providers will refer patients to fewer overseas providers however, they will have increased insurance coverage; and
    v.   Future Care responsible for overseeing the financing decisions of the local providers to the patient.

4. Chronic Disease Management & Prevention
    i.   Enable Bermuda Medical Council (BMC) to ratify Bermuda Clinical Standards of Care (BCSC) [clinical pathways] for chronic diseases and other medical/surgical conditions to provide treatment guidelines throughout the continuum of care; and
    ii.   Support Bermuda Health Council (BHeC) with developing measures of compliance and performance of system providers against BCSC.
    iii. Prevention
        a. Mandate health education and policies that require all schools and Bermuda College to educate students, teachers and parents about the importance of physical, mental, social and emotional health;
        b. Develop a health promotion and disease prevention strategy that improves the health of residents at all stages of life;
        c. Encourage the Ministry of Health to develop a mental health strategy that:
            – Increases the awareness of emotional wellbeing through educational programmes;
            – Develops a holistic approach to address mental health prevention, advises of the care and recovery services available;
            – Informs the impact of mental health on the community; and
            – Provides residents with the skill and resources to improve their own and family and their friend's health

5. Post-Acute, Long-term care, Palliative Care, Long-Term Care (LTC)
    i.   Redirect the current SHB funding sources channeled to LTC and systematically redeploy them into a sustainable long-term care model in the private sector;
    ii.   Deconstruct long-term care and decipher social services that should be the responsibility of the Ministry of Labour, Community Affairs and Sports versus medical care that should come under the Ministry of Health;
    iii. Upskill health professionals who engage with long-term patients to meet patients' needs and assist them with achieving health care goals from home and/ or a long-term care facility;

iv. Keep elderly care close to home as opposed to in a facility. However, be sure to modify current facility structures and resources so they align to local standards, are sustainable and improve the quality of care;

v. Review the alignment of Government rest home facilities and the BHB to enhance patient flow of lower acuity patients into lower cost step down units; and

vi. Implement a National Palliative Care plan.

6. Technology
    i. Adopt an integrated electronic health record that tracks patient data and produces health metrics that assist with decision making for health care stakeholders.

Infrastructure

1. Optimise the Island's waste water treatment.

International Business

1. Reduce costs of doing business in Bermuda.

    The high costs associated with doing business in Bermuda are a deterrent for many companies looking to relocate here. Bermuda should commit to becoming a more cost competitive jurisdiction. To help with this, we have identified a number of initiatives and incentives that can help with that (e.g. incentive packages for new businesses, incubator programs for new start-ups, fee 'holidays', reduced internet and electricity costs amongst others). This will drive an increase in new business registrations leading to more employment opportunities.

2. Undertake deliberate and direct efforts to promote Bermuda as a domicile.

    Current external threats and increased jurisdictional competition create vulnerability for Bermuda. Therefore, we must focus our deliberate and directed effort on the advocacy of Bermuda as the "offshore platform of choice" by creating a targeted campaign for new business through the use of consistent 'roadshows' in targeted locations, network of influential Bermudians overseas, and marketing campaigns delivering clear and cohesive messages about the Bermuda brand.

Socio-Economic Foundations

All recommendations for this Working Group are captured within the preceding two sections.

Technology

1. Develop Bermuda as a regulatory technology hub.
    a. Implement strategies to build and market Bermuda's regulatory reputation and velocity to attract technology innovation from established and emerging companies;
        i. Focus on the quality and efficiency of Bermuda's regulatory environment
        ii. Position Bermuda as a viable jurisdiction to undertake 'proof of concept' initiatives.
        iii. Develop technology-centric incentives to attract existing and emerging technology companies; and
        iv. Review and updated the existing business development product offering.
    b. Create a regulatory environment that ensures quality, efficient, technology-related regulatory strategy/practice, including the establishment of a technology-specific regulatory body

    i.   Develop a timeline to set up cutting edge technology-related legislation and legislative sandboxes based on a strategic review of technologies that would benefit from using Bermuda as a safe and well-regulated testing ground prior to global expansion;

    ii.   Conduct a review of the banking environment to ensure banking regulations and the ability for technology companies to open accounts and secure payment gateways are streamlined and more efficient;

    iii.   Address risk containment for international and virtual companies to conduct e-commerce within and from Bermuda;

    iv.   Become equivalent to international protocols; and

    v.   Align with international best practices specifically relating to the IP/Patent arena.

c.   Develop attractive incentives for any technology entity looking to operate in Bermuda (i.e. import duty, payroll tax, etc.)

d.   Education on existing tax concessions relating to new Bermudian hires in the technology sector

e.   Ensure clarity & correctness of how we language the emergent technology sector (i.e. FinTech vs. Crypto vs. InsurTech, etc.) and Bermuda's efforts to support its

CONCLUSION

The preceding recommendations provide the framework for Bermuda's transformation and that of every member of our community. Successful implementation is predicated on having bold leadership, the appropriate talent and experience in place, accountability at every level (within Government and by all members of our community), a commitment to authentic stakeholder and community engagement and the political will to do what is best for the Country understanding the challenges that come with making these necessary decisions.

As stated previously, High Priority recommendations will require a plan for implementation and most will likely require subject matter expertise from outside of Bermuda. Hence our recommendation that a line item be included in the upcoming budget of no less than $5 Million to fund the required resources to assist in implementation.

BermudaFirst is committed to supporting the further development and successful implementation of the National Socio-Economic Plan and looks forward to robust discussion on the recommendations presented. Our comprehensive Future State Report will be submitted in due course.

We would like to reconvene the week of February 11th to obtain your feedback on the proposed recommendation.

"We cannot become who we need to be, remaining what we are." ~ Max DePree