



National Health
Insurance Authority

NHIA ANNUAL REPORT 2023

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Annual Report FY2022/23

The National Health Insurance Authority was established in 2017 with the goal of achieving Universal Health Coverage and making The Bahamas a healthier nation. Over the last six years significant progress has been made, inclusive of launching primary care services, achieving record Beneficiary enrollment, establishing a network of Primary Care Providers, implementing healthcare technology, and assembling a stellar team of dedicated professionals within the Authority.

Note: This annual report covers the fiscal period of June 2022 to June 2023.



6 Years of NHI

For the past six years, the National Health Insurance (NHI) program has remained dedicated to improving access to quality, affordable healthcare for all Bahamians. From its inception, NHI has worked to reshape the healthcare experience—putting patients first and ensuring that services are both accessible and effective.

One of the program's flagship efforts, the Primary Care Transformation Initiative (PCTI), plays a critical role in aligning public and private healthcare services across the country. This initiative is a cornerstone in the ongoing journey toward achieving Universal Health Coverage (UHC) in The Bahamas.

As we reflect on six years of growth, we also look to the future. Our team continues to assess opportunities to expand the range of services available under NHI and to deepen integration within the health system. We believe that building a stronger, more coordinated system of care is key to meeting the evolving needs of our population.

Throughout this journey, NHI has seen firsthand the value of innovation, collaboration, and responsiveness. These principles remain central to our approach—ensuring that we not only keep pace with change, but lead with purpose.

As we move forward, the NHI program is committed to driving meaningful transformation in healthcare through data-driven decision-making, public-private partnerships, and a relentless focus on improving the lives of Bahamians.

Together, we are building a healthier, more resilient Bahamas—one step closer to Universal Health Coverage for all.



Chairman's Statement



Dear Minister Darville,

On behalf of the Board of Directors, I am honored to present the 2023 Annual Report of the National Health Insurance Authority (NHIA). This past year has been one of deliberate progress, financial stewardship, and strategic expansion, ensuring we continue providing accessible and sustainable healthcare for all Bahamians.

In 2023, we saw a remarkable increase in beneficiary enrollment, now serving 155,739 individuals, a testament to the growing trust in NHIA's ability to deliver quality healthcare. Additionally, provider utilization surged by 47%, reinforcing the importance of our services in the daily lives of our citizens.

Our financial strategy remains firmly rooted in sustainability, ensuring that NHIA continues to be a reliable pillar of national healthcare. We have strengthened our efforts in cost management, operational efficiency, and long-term fiscal planning while maintaining high-quality patient care and expanding provider partnerships.

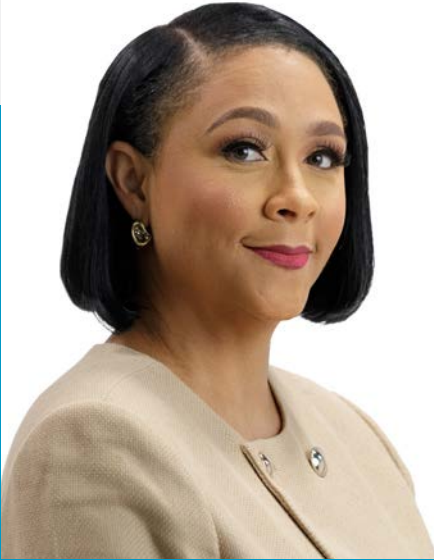
We also recognize that healthcare extends beyond clinical services. Our community-driven initiatives, such as the Ridgeland Primary School Back Yard Garden, Farmers Market, and Power Hour, reflect our proactive approach to wellness, preventative care, and public health education. These initiatives reinforce our commitment to building a healthier nation, one step at a time.

As we look to the future, NHIA will continue to expand access, enhance service quality, and drive innovation in healthcare delivery. We remain steadfast in our goal of providing equitable and sustainable healthcare solutions for the people of The Bahamas.

Our progress ensures that the NHIA will remain a cornerstone of national health and well-being for generations to come.

Sincerely,

Dr. Kendal Major
Chairman
National Health Insurance Authority



Christy Butler
Chief Executive Office

“ I extend my deepest gratitude to our exceptional team, providers, and partners... Together, we are transforming the future of health in The Bahamas. ”

CEO's Statement

As we look back, I am pleased to share the significant strides the National Health Insurance Authority (NHIA) has made in advancing healthcare accessibility, efficiency, and, most importantly, health literacy among Bahamians. This year, we continued our dedication to ensuring that every Bahamian has access to quality care and the knowledge to make informed decisions about their health.

One of our key achievements this year was the 12.39% increase in beneficiary enrollment, bringing the total to 155,739 individuals. More importantly, we saw increased healthcare utilization across various groups, particularly maternity care and paediatric services. This highlights our program's role in meeting the needs of our most vulnerable populations. Additionally, our provider utilization surged by 47%, reflecting growing confidence in the care we deliver. Our providers have truly excelled, and I am proud to say that many now actively recommend our program to patients and peers, further validating our commitment to quality service delivery.

A key priority this year was improving our ability to track and understand the health needs of our beneficiaries through the expansion of Electronic Health Record (EHR) utilization. By leveraging EHRs, we can now highlight important medical data such as doctor visits, diagnoses, and treatment outcomes. This has enabled us to identify trends, improve care delivery, and better support our providers in managing patient care. We have also seen that early diagnoses and more informed care decisions continue to improve health outcomes.

Equally important to the success of NHIA has been our approach to relationship management, both

with beneficiaries and providers. We have worked diligently to foster a sense of trust and collaboration, ensuring that our beneficiaries feel supported throughout their care journey. At the same time, we have strengthened partnerships with our providers, ensuring they are equipped with the tools and resources necessary to deliver the highest standard of care. Through this integrated approach, we are not just reforming care delivery but changing how Bahamians think about and engage with their health.

In addition to improving our care delivery, we have strongly emphasized health literacy. We have empowered our communities with the knowledge and tools they need to lead healthier, more informed lives. We know that a healthier nation begins with an informed community, and we remain steadfast in our commitment to supporting and educating the Bahamian public on the importance of preventative care and healthy lifestyle choices through our wellness and community outreach programs.

Our efforts this past year have brought us closer to a more efficient and integrated healthcare system, and I am incredibly proud of our progress.

Sincerely,

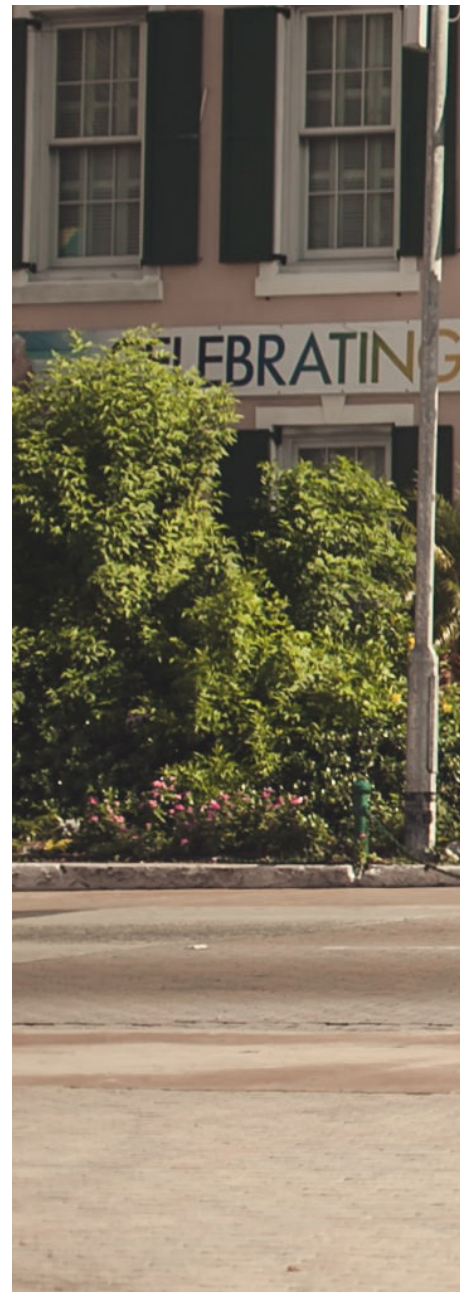


Mrs. Christy Butler
Managing Director and CEO
National Health Insurance Authority

Board of Directors


Our Board of Directors provides strategic vision, governance, and leadership to drive NHI forward.

Dr. Kendal Major	Chairman
Dr. Robin Roberts	Deputy Chairman
Portia Moxey	Member
Dr. Kevin Bowe	Member
Montgomery Braithwaite	Member
Lavora Ferguson	Member
Marcus Bosland	Member
Portia Moxey	Member
Dr. Cindy Dorsett	Member
Linda Jarrett	Ex-Officio Member
Michele Fields	Ex-Officio Member
Sonia Gill	Ex-Officio Member
Dr. Pearl McMillan	Ex-Officio Member
Christy Butler	Ex-Officio Member
Kim Sawyer	Ex-Officio Member



The background of the page features a photograph of a two-story building with a grey tiled roof and yellow and blue decorative awnings. A person in an orange shirt and light-colored pants is walking across the foreground. A large blue rectangle is overlaid on the left side of the image, containing the main text.

Showing up,
**standing
together
and shaping
healthier
futures.**

A large, high-quality photograph of a white swan with its head turned back, set against a soft, out-of-focus background. The entire image is overlaid with a semi-transparent teal/blue color filter.

**“Strong
communities,
begin with
healthy
people.”**

Executive Leadership Team

At the NHIA, we firmly believe that investing in the growth and well-being of our employees is the foundation of long-term success.



Christy Butler

Managing Director & CEO

Christy Butler serves as the Managing Director and CEO at the NHIA. With over 15 years of industry experience in Public Health and Leadership reform, Mrs. Butler has established a track record of improving health systems and the delivery of quality care.



Chadwick Williamson

Chief Information Officer

Chadwick Williamson serves as the Chief Information Officer with over 15 years experience in Information Technology. Mr. Williamson focuses on managing the complexities of modernizing and transforming healthcare through the adoption of technology.



Chigozie Ijeoma

Financial Controller

Chigozie Ijeoma brings extensive financial expertise, with a diverse background spanning offshore banking, aviation, real estate development, and insurance.



Cherylle LaFleur

Human Resources Director

CC LaFleur is a Human Resources professional with over 25 years of international managerial experience in Organizational Development. Mrs. LaFleur's expertise is within Organizational Design with an emphasis in Employee Relations.



Our Vision and Mission

Our vision and mission drive everything we do. We are committed to innovation, excellence, and creating lasting value for our stakeholders.



Our Vision

Leading the way in providing **access to affordable, quality healthcare** that Bahamians **deserve**.



Our Mission

We are transforming the healthcare system upon which the future well-being of Bahamians depends, by putting patients at the center of every decision we make.

Core Values

Our values define who we are and guide our decisions. Passionate, progressive, partnership, integrity, and respect drive our commitment to beneficiaries, employees, and stakeholders.

Passionate

Passionate about bringing universal health care to all Bahamians.

Progressive

Relentless in expanding access to quality, health care through progressive solutions, supported by technology.

Partnership

Dedicated to delivering affordable healthcare through partnership.



Access is the first step.
Quality is the standard.
Innovation is the path forward.

#CreatingHealthierCommunities

Integrity

Committed to doing business with integrity, accountability, transparency and sincerity.

Respect

Honouring our beneficiaries by providing care and respect in all aspects of our service.



2023 Performance Report Summary

This summary provides a brief overview of the Authority's achievements and key developments from January 2023 to December 2024.



Having successfully launched the NHI Program with exponential growth in beneficiary and provider enrollment and key technological advances, the NHIA is now shifting its focus towards the next phase of strengthening and expanding healthcare delivery. As NHIA moves into the program's next iteration, the ever-evolving healthcare landscape requires new and direct focus in strategic arenas. NHIA will act as a catalyst to agitate the Bahamian healthcare system to elicit reform and progress.

Shifting Our Focus

Beneficiary Enrollment
Provider Enrollment
EHR Implementation
Monitoring utilization
Educating stakeholders on PCTI
Primary Care



Beneficiary Relationship Management
Provider Relationship Management
EHR Utilization
Reforming behavior
Challenging stakeholders to adopt PCTI
Integrated Care



Making a Difference

Beyond clinical services, the NHIA remains deeply committed to community engagement and public health initiatives. In 2023, we spearheaded several impactful projects to promote wellness and healthy living among Bahamians. The Ridgeland Primary School Backyard Garden project encouraged students to embrace nutrition and sustainability, while our Farmers Market initiatives aimed to support local agriculture and improve food security. Additionally, our Power Hour sessions provided valuable health education, empowering individuals with the knowledge to make informed healthcare decisions as well as our Beneficiary Educational Sessions.

Strengthening Provider & Beneficiary Relationship

To ensure a seamless and effective healthcare experience, NHIA has actively engaged with both providers and beneficiaries to enhance service delivery. A key initiative in 2023 was the Beneficiary Relationship Management Verification Exercise, which led to the successful update of 32,333 beneficiary records, ensuring accurate contact information and streamlined communication.

Our dedication to provider engagement has also been evident, with forums, feedback sessions, and surveys conducted throughout the year. Notably, 92% of physicians expressed their willingness to recommend NHI Bahamas to other healthcare professionals, reflecting a high level of satisfaction and confidence in the program. Additionally, 54% of providers felt positive about the future of NHI Bahamas, reinforcing our mission to build strong, long-term relationships with healthcare professionals across the country.

Expanding Our Reach

The NHI Bahamas program continues to grow at an impressive pace. In 2023, 155,739 beneficiaries were actively enrolled, reflecting a significant increase in healthcare access and utilization. The program now boasts 144 dedicated physicians and 88 healthcare facilities, ensuring that quality care is within reach for communities across the nation.

As part of our ongoing efforts to expand healthcare accessibility beyond New Providence, the NHIA has successfully increased provider presence in the Family Islands, with a total of 26 physicians now serving communities in Long Island, Harbour Island, Abaco, Andros, and other key locations. This expansion underscores our commitment to making comprehensive healthcare services available to all Bahamians, regardless of their geographic location.



155,739

Beneficiaries Enrolled



144

Physicians



88

Facilities



17

Labs



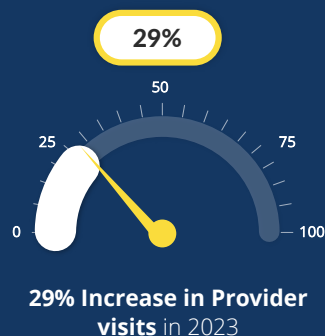
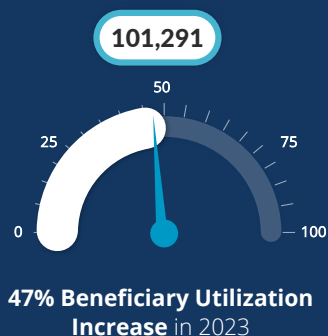
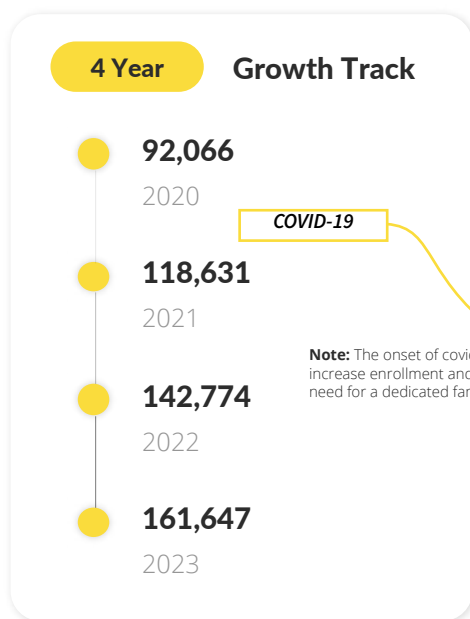
26

Family Island Physicians

Note: This report covers the period of January 2023 to December 2023.



Beneficiary Enrollment Growth



24%
of our Beneficiary Population is
under the age of 18



Population Health Highlights

24% of our Beneficiary Population is **under the age of 18**

Overall **38.2%** increase in infant and maternity bundle activations across the following islands:

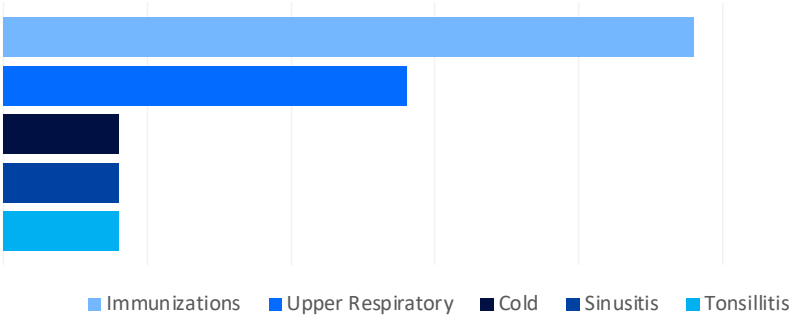
- **85%** increase in Exuma
- **29%** increase in Grand Bahama
- **44%** increase in New Providence



TOP 5 PEDIATRIC VISIT TYPES

1. Annual Wellness Visits
2. Immunizations
3. School Physicals
4. Follow Up Visits
5. Other counseling/ Medical services

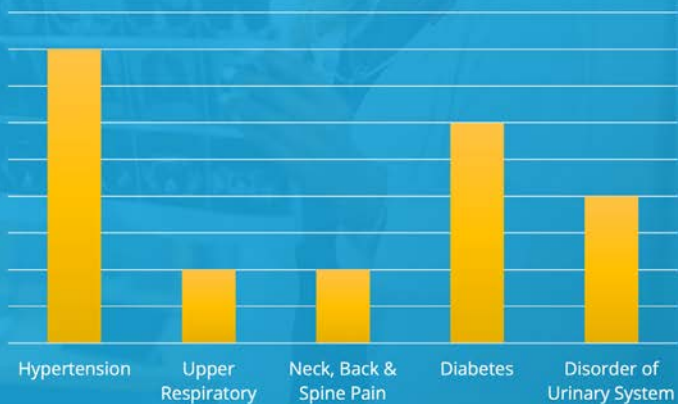
TOP 5 PEDIATRIC DIAGNOSIS



Note: This report covers the period of January 2023 to December 2023.



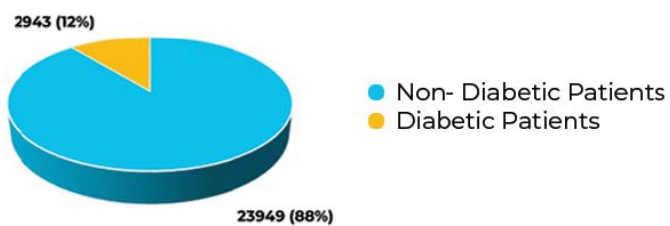
TOP 5 ADULT DIAGNOSIS



TOP 5 ADULT VISIT TYPES

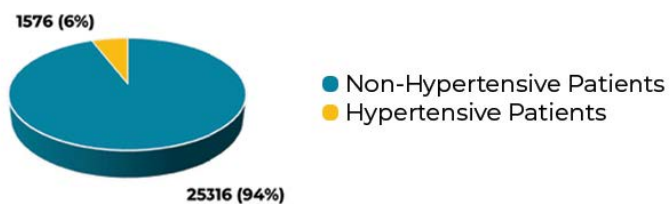
- Annual Wellness Visits
- Special Examinations
- Pregnancy
- -Follow Up Visits
- Other counseling/ Medical services

DIABETES



Note: Out of 26,892 adult beneficiaries who sought medical services, 2,943 (12%) had a diagnosis of Diabetes.

HYPERTENSION



Note: Out of 26,892 adult beneficiaries who sought medical services, 1,576 (6%) had a diagnosis of Hypertension.



Impact

Increased **Beneficiary Utilization** by **47%** in 2023

Number of **Provider Visits** Increased by **28.5%**.

Note: This report covers the period of January 2023 to December 2023.



Provider Impact

The National Health Insurance Authority (NHIA) saw significant provider-related growth and impact during the 2022–2023 period, reinforcing its commitment to accessible, high-quality care for Bahamians across the nation.

Network Expansion & Accessibility

- The provider network expanded to **144 physicians**, including **22 Family Island physicians** across key islands like Eleuthera, Abaco, Exuma, Bimini, and Grand Bahama.
- Facilities offering NHI services grew to **88**, supported by **17 labs** — extending diagnostic and primary care reach throughout The Bahamas.
- This growth directly contributed to increased accessibility and continuity of care, particularly in remote and underserved communities.

Utilization & Provider Engagement

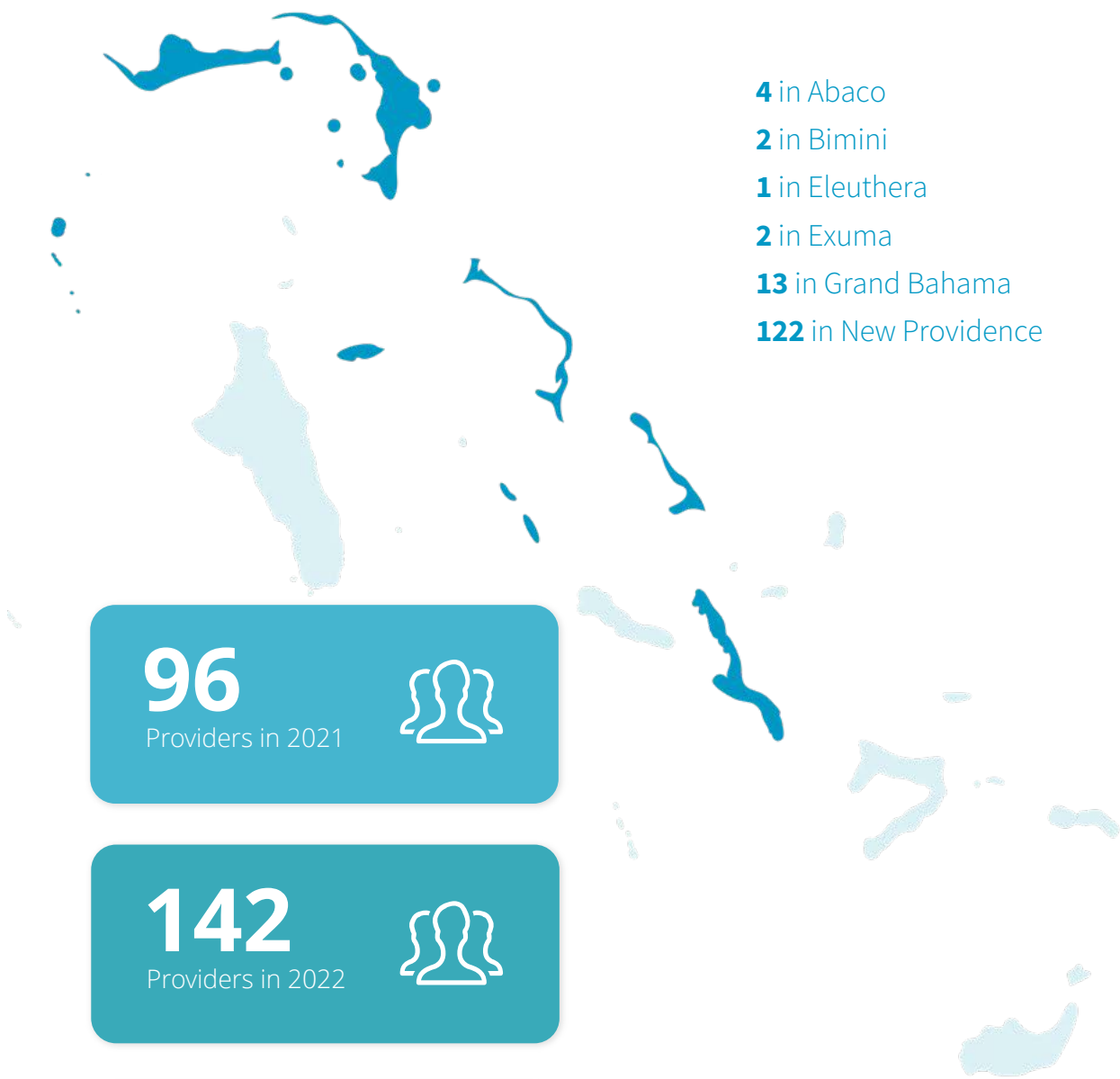
- Provider visits surged by **28.5%**, with a **47% increase in beneficiary utilization**, demonstrating stronger patient-provider engagement and trust in the system.
- 92% of NHI physicians reported they would recommend participation to their peers, highlighting high satisfaction with NHIA's operational support.
- 54% of physicians shared a **positive outlook** on the future of NHI, indicating strong provider morale and investment in the program's long-term success.

Population Health & Collaboration

- Providers played a key role in managing chronic diseases and preventive care, including hypertension, diabetes, and respiratory illnesses.
- Pediatric and adult visit types reflected NHI's commitment to holistic care, from annual wellness visits to school physicals and chronic disease monitoring. Preventive care measures like regular check-ups, screenings, and vaccinations can help prevent noncommunicable diseases (NCDs) with improved healthcare services and health monitoring.

Note: This report covers the period of January 2023 to December 2023.

Provider Growth



96

Providers in 2021

142

Providers in 2022

144

Providers in 2023

Note: This report covers the period of January 2023 to December 2023.

FINANCIAL STATEMENTS



The Deanery
#28 Cumberland Street
P.O. Box N-1991
Nassau, The Bahamas

T: +1 (242) 356-4114
F: +1 (242) 356-4125

To the Board of Directors of
NATIONAL HEALTH INSURANCE AUTHORITY

Opinion

We have audited the financial statements of National Health Insurance Authority ("the Authority"), which comprise the statement of financial position as at June 30, 2023, and the statements of operations, changes in accumulated fund and cash flows for the year then ended and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Authority as at June 30, 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Authority in accordance with the ethical requirements that are relevant to our audit of the financial statements in The Bahamas, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Authority or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Authority's financial reporting process.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Authority to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



Baker Tilly
CHARTERED ACCOUNTANTS

April 25, 2025

Nassau, Bahamas



NATIONAL HEALTH INSURANCE AUTHORITY

Statement of Financial Position

June 30, 2023

(Expressed in Bahamian dollars)

	2023	2022
ASSETS		
Current assets:		
Cash and cash equivalent (Note 4)	\$5,255,745	\$12,586,192
Prepaid insurance	2,550	2,210
Other receivable	29,637	180
Government grant receivable (Notes 8, 13)	5,416,667	-
Total current assets	10,704,599	12,588,582
Non-current assets:		
Fixed assets (Note 5)	117,806	177,023
Intangible assets (Note 6)	410,052	642,764
Total non-current assets	527,858	819,787
TOTAL ASSETS	\$11,232,457	\$13,408,369
LIABILITIES AND ACCUMULATED FUND		
LIABILITIES		
Current liabilities:		
Accounts payable and accrued expenses (Note 7)	\$ 2,304,322	\$ 1,616,873
Government grant received in advance (Notes 8, 13)	-	1,000,000
Total current liabilities	2,304,322	2,616,873
ACCUMULATED FUND	8,928,135	10,791,496
TOTAL LIABILITIES AND ACCUMULATED FUND	\$11,232,457	\$13,408,369

See accompanying notes. See Independent Auditors' Report on pages 1 and 2.

These financial statements were approved by the Board on June 27, 2025 and signed on its behalf by:


Chairman


Director



NATIONAL HEALTH INSURANCE AUTHORITY

Statement of Operations

For the year ended June 30, 2023

	2023	2022
INCOME		
Government grants (Notes 8, 13)	\$46,200,000	\$45,000,000
EXPENSES		
Provider care benefits (Note 9)	38,404,851	32,252,174
Consultancy services (Note 10)	2,811,529	3,550,146
Operation of facilities (Note 11)	2,948,033	2,938,493
Payroll and related benefits (Notes 12, 13)	2,976,300	2,623,590
Amortization (Note 6)	232,711	228,074
Other charges	229,405	112,124
Directors' remuneration (Note 13)	151,000	108,500
Depreciation (Note 5)	75,980	78,106
Bank charges	43,745	43,134
Professional fees	24,000	24,809
Travel	80,549	10,387
Office supplies and materials	85,258	8,897
Intangible assets written-off (Note 6)	-	-
	48,063,361	41,978,434
NET (LOSS)/INCOME AND TOTAL COMPREHENSIVE (LOSS)/INCOME	(\$1,863,361)	\$ 3,021,566

See accompanying notes. See Independent Auditors' Report on pages 1 and 2.



NATIONAL HEALTH INSURANCE AUTHORITY

Statement of Changes in Accumulated Fund

For the year ended June 30, 2023

	Accumulated Fund
BALANCE AS AT JUNE 30, 2020	\$ 3,250,229
Total comprehensive income	4,519,701
BALANCE AS AT JUNE 30, 2021	7,769,930
Total comprehensive income	3,021,566
BALANCE AS AT JUNE 30, 2022	10,791,496
Total comprehensive loss	(1,863,361)
BALANCE AS AT JUNE 30, 2023	\$8,928,135

See accompanying notes. See Independent Auditors' Report on pages 1 and 2.



NATIONAL HEALTH INSURANCE AUTHORITY

Statement of Cash Flows

For the year ended June 30, 2023

	2023	2022
CASH PROVIDED BY/(USED IN)		
Cash flows from operating activities		
Net income for the year	(\$1,863,361)	\$ 3,021,566
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	75,980	78,106
Amortization	232,711	228,074
Intangible assets written-off		
Cash (used in) provided by operations before changes in operating assets and liabilities	(1,554,670)	3,327,746
Decrease/(increase) in operating assets:		
Government grant receivable	(6,416,667)	3,222,217
Prepaid insurance	(340)	3,079
Other receivable	(29,456)	41,911
Increase/(decrease) in operating liabilities:		
Government grant received in advance	-	1,000,000
Accounts payable and accrued expenses	687,449	750,011
Net cash (used in) provided by operating activities	(7,313,684)	8,303,474
Cash flows from investing activities:		
Acquisitions of fixed assets	(16,763)	(14,096)
Acquisitions of intangible assets	-	(172,962)
Net cash used in investing activities	(16,763)	(187,058)
Net decrease in cash and cash equivalents	(7,330,447)	8,116,416
Cash and cash equivalents, beginning of year	12,586,192	4,469,776
CASH AND CASH EQUIVALENTS, END OF YEAR	\$5,255,745	\$12,586,192
Represented by: (Note 4)		
Cash on hand	\$ 204	\$ 637
Cash at bank	5,255,541	12,585,555
	\$5,255,745	\$12,586,192

See accompanying notes. See Independent Auditors' Report on pages 1 and 2.



NATIONAL HEALTH INSURANCE AUTHORITY

Notes to Financial Statements

June 30, 2023

1. GENERAL

National Health Insurance Authority ("the Authority") is a statutory body established in the Commonwealth of The Bahamas pursuant to the provisions of the National Health Insurance Act, 2016 ("the Act").

The functions of the Authority, as mandated by the Act, are as follows:

- To establish and implement a national health insurance plan ("the Plan") to facilitate the provision of accessible, affordable, equitable and quality healthcare services to all eligible persons;
- To establish and implement mechanisms for quality assurance in the delivery of healthcare and wellness benefits and services under the Plan;
- To promote improved methods and levels of efficiency in the delivery of healthcare;
- To enroll all persons eligible to enroll and receive benefits under the Plan;
- To register and oversee all providers and administrators and wellness benefits and services under the Plan;
- To set the terms of all agreements with providers and administrators including setting the rates of payment and establishing the risk adjustment mechanism; and
- To manage, control and keep under constant review the national health insurance fund and to supervise and control expenditures therefrom.

As at June 30, 2023, the number of enrollees in the Plan total 152,184 (2022: 128,400).

The registered office of the Authority is situated at the Teachers & Salaried Workers Co-operative Credit Union building, East Street South, P.O. Box N-3212, Nassau, Bahamas.

These financial statements were authorized to be issued by the Board of Directors on April 25, 2025.

2. ADOPTION OF NEW AND AMENDED INTERNATIONAL FINANCIAL REPORTING STANDARDS

At the date of these financial statements, the following standard and amendments to the existing standards issued by the International Accounting Standards Board ("the IASB") have not been applied in these financial statements as they are not yet effective:

IFRS 17	- Insurance Contracts – effective from January 1, 2023
IAS 1 (amendments)	- Presentation of Financial Statements – amendments in the classification of liabilities as current or non-current – effective from January 1, 2023
IAS 8 (amendments)	- Accounting Policies, Changes in Accounting Estimates and Errors – amendments to replace the definition of a change in accounting estimates with a definition of accounting estimates – effective from January 1, 2023
IAS 12 (amendments)	- Income Taxes – amendments to deferred tax related to assets and liabilities arising from a single transaction – effective from January 1, 2023

The Board of Directors is in the process of determining the impact of the adoption of such standard and amendments to the existing standards on the Authority's financial statements.



NATIONAL HEALTH INSURANCE AUTHORITY

Notes to Financial Statements

June 30, 2023

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the IASB. The accounting policies set out below have been applied consistently during the years presented, unless otherwise stated.

b) Basis of preparation

These financial statements have been prepared on the historical cost basis. The financial statements are expressed in Bahamian dollars which is the functional and reporting currency of the Authority.

c) Use of estimates and judgments

The preparation of financial statements in compliance with International Financial Reporting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about significant areas involving estimates and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is described in the following notes:

Note 3(g)	-	Impairment of financial assets
Note 3(m)	-	Intangible assets
Note 14	-	Fair value of financial instruments
Note 15	-	Financial risk management



NATIONAL HEALTH INSURANCE AUTHORITY

Notes to Financial Statements

June 30, 2023

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Financial assets – classification and subsequent measurement

On initial recognition, the Authority classifies its financial assets at amortized cost. The classification depends on the Authority's business model and the asset's contractual cash flow characteristics.

- Financial assets at amortized cost

A financial asset is measured at amortized cost using the effective interest method less any allowance for impairment if it is held in a business model whose objective is to hold the asset to collect the contractual cash flows, and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Balances included in this classification are cash on hand and at bank, other receivable and in the prior year, government grant receivable.

e) Cash and cash equivalents

Cash and cash equivalents are comprised of cash on hand and at bank.

f) Government grant receivable

Government grant receivable represents a portion of the approved budgetary funding receivable from the Government at the reporting date.

g) Impairment of financial assets

The Authority recognizes loss allowances for expected credit losses (ECLs) on financial assets measured at amortized cost. The Authority measures loss allowances at an amount equal to lifetime ECLs, except for the following which are measured at 12-month ECLs:

- financial assets that are determined to have low credit risk at the reporting date; and
- other financial assets for which credit risk has not increased significantly since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Authority considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Authority's historical experience and informed credit assessments and including forward-looking information.

Lifetime ECLs are the ECLs that result from default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Authority is exposed to credit risk.



NATIONAL HEALTH INSURANCE AUTHORITY

Notes to Financial Statements

June 30, 2023

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

g) Impairment of financial assets (continued)

At each reporting date, the Authority assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the debtor;
- A breach of contract such as a default; or
- It is probable that the borrower will enter bankruptcy or other financial reorganization.

h) Recognition of financial assets and liabilities

The Authority recognizes financial assets and financial liabilities on the day it becomes a party to the contractual provisions of the instruments.

i) Derecognition of financial assets and liabilities

The Authority derecognizes financial assets when the contractual rights to receive cash flows from the assets expire or have been transferred and the Authority has transferred substantially all the risks and rewards of ownership of the assets or the Authority has transferred control of the asset. A financial liability is derecognized when the obligation is discharged, cancelled or expires.

j) Offsetting financial assets and liabilities

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

k) Financial liabilities

The Authority classifies its financial liabilities as other financial liabilities.

• Other financial liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently re-measured at amortized cost using the effective interest method, with interest expense being recognized on an effective yield basis. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate, a shorter period. The balance included in this classification is accounts payable and accrued expenses.



NATIONAL HEALTH INSURANCE AUTHORITY

Notes to Financial Statements

June 30, 2023

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

l) Fixed assets

Fixed assets are stated at cost less accumulated depreciation. Depreciation is calculated on the straight-line basis over the estimated useful lives of the assets as follows:

Furniture, fixtures and equipment	- 3 - 5 years
Motor vehicles	- 7 years

Repairs and maintenance are expensed as incurred. Subsequent expenditure is capitalized whenever it is probable that future economic benefits associated with the expenditure will flow to the Authority and the expenditure can be measured reliably. When assets are retired or otherwise disposed of, the costs and the related accumulated depreciation are removed from the accounts and any resulting gain or loss is recognized in the statement of operations.

m) Intangible assets

Intangible assets, comprising computer software, website development and healthcare management system, are carried at cost less accumulated amortization. Amortization is calculated on a straight-line basis over the estimated useful life of the assets. The estimated useful life and the amortization method are reviewed at the end of each reporting period and impairment losses, write-offs or reversals of such losses are recognized in the statement of operations.

n) Income and expenses recognition

• Government grants

Government grants represent amounts received from the Government of The Bahamas ("the Government") to underwrite the operating expenses of the Authority. Government grants are recognized in the statement of operations as income in the period in which they are received and included in the Government budget allocation for the same fiscal year. Any additional funds received in advance are recognized in the fiscal year as allocated in the Government budget.

• Provider care benefits expenses

Payments to contracted healthcare providers are calculated on the following basis:

i) Fees for services:

Fees for services are recognized based on the covered services at rates established by the Authority and are paid retroactively based on the volume and nature of the patient services provided.

ii) Capitation:

The Authority pays healthcare service providers a fixed fee per annum for each enrollee registered with them, payable in monthly installments whether or not the enrollee seeks care. The fee is based on the average expected health care utilization of the patient, adjusted for the health risk associated with the enrollee. The fee per enrollee is \$150 per annum, adjusted for the enrollee's gender, age and location.



NATIONAL HEALTH INSURANCE AUTHORITY

Notes to Financial Statements

June 30, 2023

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

n) Income and expenses recognition (continued)

• Provider care benefits expenses (continued)

iii) Bundles:

Bundles are packages of care that include multiple physician visits and associated other care costs that are combined and paid for together. The Authority provides for two types of bundles: Maternal Care and Infant Care. Payments for Maternal Care bundles are adjusted for case complexity. Infant Care includes child visits between the ages of 0-24 months and immunizations.

• Other expenses

Other expenses are recognized on an accrual basis, except for amortization and depreciation which are recognized on a straight-line basis.

o) Foreign currency transactions and balances

Foreign currency transactions are translated into Bahamian dollars using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in currencies other than the Bahamian dollar are retranslated into Bahamian dollars at the reporting date at the applicable exchange rates prevailing at that date. Non-monetary assets and liabilities are translated at historic rates. Exchange gains and losses are included in the statement of operations.

p) Taxes

There are no income taxes imposed on the Authority in the Commonwealth of The Bahamas.

Income from government grants and subsidies are VAT exempt. Accordingly, input VAT which is not reclaimable is expensed in the statement of operations.

q) Related party transactions

All government-owned agencies and entities, the directors and key management personnel are considered related parties.

4. CASH ON HAND AND AT BANK

As at June 30, 2023, cash on hand and at bank consist of the following:

	2023	2022
Cash on hand	\$204	\$ 637
Cash at bank		
RBC Royal Bank (Bahamas) Limited - current account	5,255,541	12,585,555
	<u>\$5,255,745</u>	<u>\$12,586,192</u>

As at June 30, 2023, the Authority has a corporate credit card and overdraft facilities with RBC Royal Bank (Bahamas) Limited with a limit of \$30,000 (2022: \$30,000) and \$10,000 (2022: \$10,000), respectively.



NATIONAL HEALTH INSURANCE AUTHORITY

Notes to Financial Statements

June 30, 2023

5. FIXED ASSETS

As at June 30, 2023, fixed assets consist of the following:

	Motor vehicles	Furniture, fixtures and equipment	Total
Cost:			
Balance, June 30, 2021	\$133,242	\$290,656	\$423,898
Acquisitions during the year	-	14,098	14,098
Balance, June 30, 2022	133,242	304,754	437,996
Acquisitions during the year	-	16,763	16,763
Balance, June 30, 2023	133,242	321,517	454,759
Accumulated depreciation:			
Balance, June 30, 2021	51,243	131,624	182,867
Charge for the year	19,035	59,071	78,106
Balance, June 30, 2022	70,278	190,695	260,973
Charge for the year	19,034	56,946	75,980
Balance, June 30, 2023	89,312	247,641	336,953
Net book value, June 30, 2023	\$ 43,930	\$73,876	\$117,806
Net book value, June 30, 2022	\$ 62,964	\$ 114,059	\$177,023

6. INTANGIBLE ASSETS

As at June 30, 2023, intangible assets consist of the following:

	Website development	Healthcare management system	Total
Cost			
Balance at June 30, 2021	\$ 69,435	\$1,015,556	\$1,084,991
Acquisitions during the year	-	172,962	172,962
Balance, June 30, 2022 and 2023	69,435	1,188,518	1,257,953
Accumulated amortization			
Balance at June 30, 2021	69,435	317,680	387,115
Charge for the year	-	228,074	228,074
Balance, June 30, 2022	69,435	545,754	615,189
Charge for the year	-	232,711	232,711
Balance, June 30, 2023	69,435	778,465	847,900
Net book value, June 30, 2023	\$ -	\$ 410,053	\$ 410,053
Net book value, June 30, 2022	\$ -	\$ 642,764	\$ 642,764



NATIONAL HEALTH INSURANCE AUTHORITY

Notes to Financial Statements

June 30, 2023

6. INTANGIBLE ASSETS (continued)

Website Development

In 2019, website development was provided by Teleios Systems Limited. The contract with this entity was terminated on July 19, 2020. The net book value of website development was written-off in 2021.

Healthcare Management System

The Authority has entered into a contract with Maximus Canada Services Inc. ("Maximus") to provide a cloud-based Claims Processing System/Claims Administration System (CPS/CAS) and a cloud-based Provider Registration and Beneficiary Management system (PRBM) to support the NHIA programs. The PRBM system facilitates the online enrollment of health-care providers and beneficiaries and connects with the Electronic Health Records system (EHR). The CPS/CAS is utilized for the adjudication of the Authority's provider claims and payment for services.

7. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

As at June 30, 2023, accounts payable and accrued expenses comprise:

	2023	2022
Accounts payable	\$2,280,322	\$1,592,063
Accrued professional fees	24,000	24,810
	<u>\$2,304,322</u>	<u>\$1,616,873</u>

8. GOVERNMENT GRANTS

During the year, government grants recognized as income in the statement of operations amounted to \$46,200,000 (2022: \$45,000,000). As at June 30, 2023, government grant received in advance amounted to \$1,000,000 (2022: \$1,000,000).

9. PROVIDER CARE BENEFITS

The Authority, as mandated by the Act, registers and processes provider care benefits. For the year ended June 30, 2023, the Authority paid provider care benefits to registered healthcare providers, as follows:

	2023	2022
Capitation	\$28,508,723	\$23,757,999
Fees for services	9,075,025	7,982,946
Bundles	821,103	511,229
	<u>\$38,404,851</u>	<u>\$32,252,174</u>



NATIONAL HEALTH INSURANCE AUTHORITY

Notes to Financial Statements

June 30, 2023

6. INTANGIBLE ASSETS (continued)

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NATIONAL HEALTH INSURANCE AUTHORITY

Notes to Financial Statements

June 30, 2023

10. CONSULTANCY SERVICES

The Authority has entered into various engagements with KPMG with respect to the NHI project which includes, inter alia, support for implementing and operationalizing of the new policy; project management of the EHR solution and advice and assistance for the amendments to the NHI Act, 2016. Costs incurred with respect to these engagements for the year amounted to \$2,788,643 (2022: \$3,515,146).

Costs incurred for other consultancy services amounted to \$22,886 (2022: \$35,000).

11. OPERATION OF FACILITIES

Operation of facilities for the year ended June 30, 2023 is comprised of the following:

	2023	2022
Electronic health records operations, maintenance and related services	\$2,508,593	\$2,482,346
Security services	256,489	297,155
Telephone	104,894	102,698
Repairs and maintenance	51,437	44,878
Automobile	13,761	8,032
Uniforms	10,432	1,155
Utilities	2,427	2,229
	\$2,948,033	\$2,938,493

12. PAYROLL AND RELATED BENEFITS

Payroll and related benefits for the year ended June 30, 2023 are comprised of the following:

	2023	2022
Salaries and wages	\$2,238,195	\$1,984,112
Other allowances and benefits	604,062	517,702
National insurance	134,043	121,776
	\$2,976,300	\$2,623,590

13. RELATED PARTY BALANCES AND TRANSACTIONS

The Authority, in the normal conduct of its business, has transactions with key management personnel, directors, the government and government agencies. Included in the statement of financial position and the statement of operations are the following balances and transactions:

- As at June 30, 2023, the Authority has received \$1,000,000 relating to the fiscal year 2022/2023.
- Government grants for the year amounted to \$46,200,000 (2022: \$45,000,000).
- Included in payroll and related benefits is key management personnel compensation of \$120,000 (2022: \$140,618).
- Directors' remuneration for the year amounted to \$151,000 (2022: \$108,500).



NATIONAL HEALTH INSURANCE AUTHORITY

Notes to Financial Statements

June 30, 2023

14. FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of the Authority's financial assets and liabilities approximates their carrying value at the reporting date for one or both of the following reasons:

- (i) Short-term maturities.
- (ii) Carrying values approximate fair values.

15. FINANCIAL RISK MANAGEMENT

The Authority's activities may expose it to a variety of financial risks: market risk (including interest rate risk, foreign currency risk and other price risk), credit risk and liquidity risk.

a) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Financial assets which potentially expose the Authority to credit risk primarily consist of cash at bank and in the prior year, government grant receivable. The Authority mitigates the risk associated with cash at bank by placing funds with a reputable financial institution. The Authority does not anticipate any loss from these financial assets.

As at June 30, 2023, the maximum exposure to credit risk is the carrying amounts of the financial assets as set out below:

	2023	2022
Financial assets:		
Cash at bank	\$5,255,541	\$12,585,555
Other receivable	29,637	180
Government grant receivable	6,416,667	-
	\$11,701,845	\$12,585,735

b) Liquidity risk

Liquidity risk is the risk that the Authority will encounter difficulty in generating sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous. The Authority manages liquidity risk by receiving grants from the Government and continuously monitoring forecasts and actual cash flows. Ultimate responsibility for liquidity risk management rests with the Authority's Board of Directors.

The following table details the Authority's expected contractual maturities for its financial liabilities as at June 30, 2023 and indicates the undiscounted cash flows of such financial liabilities based on the earliest date on which the Authority can be required to pay. The table includes only principal cash flows.



NATIONAL HEALTH INSURANCE AUTHORITY

Notes to Financial Statements

June 30, 2023

15. FINANCIAL RISK MANAGEMENT (continued)

b) Liquidity risk (continued)

2023		
	1 - 30 days	Total
Financial liabilities		
Accounts payable and accrued expenses	\$2,304,322	\$2,279,360
Government grant received in advance	1,000,000	1,000,000
	<u>\$3,304,322</u>	<u>\$3,279,360</u>
2022		
	1 - 30 Days	Total
Financial liabilities		
Accounts payable and accrued expenses	\$1,616,873	\$1,616,873
Government grant received in advance	1,000,000	1,000,000
	<u>\$2,616,873</u>	<u>\$2,616,873</u>

c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices such as foreign currencies and interest rates:

(i) Foreign currency risk

Foreign currency risk arises from the effects of fluctuations of foreign currencies on the fair value or future cash flows of financial assets and liabilities. The Authority has no exposure to foreign currency risk as its transactions are denominated in Bahamian dollars.

(ii) Interest rate risk

Interest rate risk arises from the effects of fluctuations in the prevailing levels of market interest rates on the fair value or future cash flows of financial assets and liabilities. The Authority has no exposure to interest rate risk as its financial assets and liabilities are non-interest bearing.

16. CAPITAL MANAGEMENT

The Authority manages its capital to ensure that the entity will be able to continue as a going concern. The Authority obtains grants from the Government to fund its activities. The capital structure of the Authority is represented by its accumulated fund. The Authority is not subject to externally-imposed capital requirements. There were no changes in the Authority's approach to capital management during the year.

See Independent Auditors' Report on pages 1 and 2.



**National Health
Insurance Authority**

Address:

The National Health Insurance Authority
East Street & Purpose Way
Nassau, The Bahamas

Phone:

(242) 396 8500

Online:

info@nhibahamas.gov.bs
www.nhibahamas.gov.bs