The Swiss healthcare system: current situation and challenges

Willy Oggier, Dr. oec. HSG

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Current situation

Basic models

- National health system
- Social insurance model
- Private insurance system
- Combined system

Relationship between social and private insurance

- Complementary
- Alternative
- Supplementary

Cost control instruments (I)

- Modification of funding systems
- Quantity limitations
- Price limitation
- Restriction of the scope of services
- Regulation and streamlining of organizations
- Incentive systems for benefit recipients

Cost control instruments (II)

- Measures to increase effectiveness and efficiency
- Influence on decision-making and prescribing behavior
- Quality improvement measures

Overview of the Swiss system (I)

- Social insurance
  - Health insurance
  - Accident insurance
  - Old-age and survivors' insurance
  - Disability insurance
  - Complementary benefits
  - Occupational old-age, survivors' and disability insurance

Overview of the Swiss system (II)

- Social insurance (continued)
  - Family allowances for agriculture
  - Family allowances
  - Maternity
  - Unemployment
  - Allowance for loss of earnings
  - Military insurance

Overview of the Swiss system (III)

- Health insurance
  - Per capita premiums, depending on region
  - Free choice of insurer, no single fund
  - Compensation of risks across insurers
  - High costs offset by participation of policyholders (deductibles depending on options)
  - No mandatory gatekeeping system
  - Private insurance: complementary insurance

Overview of the Swiss system (IV)

- Participation of the public authorities (especially the cantons) is generally higher than in other European health insurance systems
- Several roles of the cantons (planning, pricing, hospital owners, etc.)
- Several roles for insurers (mandatory: non-profit; complementary insurance)

Overview of the Swiss system (V)

- Some major risks relatively poorly covered (loss of salary in case of illness, care dependency in old age)
- Lack of transparency (especially quality)
- Lack of HTA culture
- Relatively high costs (in % of GDP)

Overview of the Swiss system (VI)

- But: POPULATION HIGHLY SATISFIED
- Strong points
  - Quick and direct access (also to specialists in private practice)
  - Life expectancy
  - Resources also available in rural areas
  - Direct democracy as system advocate

Overview of the Swiss system (VII)

- Weaknesses
  - eHealth
  - Healthcare networks
  - Patient's rights
  - Costs (population still willing to pay, but for how long?)

Potential general challenges

Various economic perspectives

- Macroeconomics
  - Example: magic pentagon of health policy objectives
    - Equal opportunities
    - Equity with respect to needs
    - Performance
    - Profitability
    - Financial sustainability
- Microeconomics
  - Certain stakeholders taken into account
    - Private households
    - Companies
    - State
    - Social insurance

Potential trends (I)

- Healthcare system remains a growing market (Jürg H. Sommer, 1996)
  - Iceberg phenomenon
  - Population growth
  - Economic growth and increase in well-being (important luxury components)
  - Development of medical technology
  - Incentives for expansion

Potential trends (II)

- Growing skepticism towards traditional service providers
- Trend towards a "High-Touch-Health" culture
  - Wellness
  - Complementary medicine
  - Preventive medicine and monitoring (tests, check-ups)
  - Online medical services
  - Design-Pharmacies
  - Event-Shops

Potential trends (III)

- Pressure on the qualitative and financial critical mass
- Quality becomes more important
- Internationalization
- Computerization
- Flexibilization
- What manages the system should become more important

Health system challenges

- Demographics
- Change in causes of morbidity
- Changes in the social structure
- Strong trend towards innovation (e.g. personalized medicine)
- Social change
- Staff shortages

Policy challenges

- More money (not less) for the health system
- Quality before costs: *"If you focus on costs, you will reduce quality; if you focus on quality, you will reduce costs"*
- Who pays for what? A question that is increasingly being asked:
  - basic vs. complementary insurance
  - health insurers vs. public authorities
  - cantons vs. municipalities
- Healthcare in rural areas

Potential financial challenges

Preliminary thoughts (I)

- Should benefits be based on funding or...
  - Example: Poor representation leads to insufficient coverage. Conversely, if it is too good, it leads to an overabundance
- ... should funding be based on benefits?
  - Rapid adjustment of pricing structures (short lifespan of medical knowledge)
  - No distortion of financial incentive systems

Preliminary thoughts (II)

- What does medicine look like today?
  - Silo thinking, no global approach
  - Under-evaluation of rehabilitation and psychiatry
- What medicine will we have in 10-20 years?
  - We don't know yet, but...
  - ... increase in chronic illnesses
  - ... more multi-morbidity
  - ... from somatic acute care to preventive and post-acute ambulatory care

Preliminary thoughts (III)

- Innovative forms of care require innovative forms of funding
- It is not just health insurance but also accident insurance, disability insurance, etc.
- Let us move from the causation principle to the purpose principle
- Distribution by social groups, age groups and disease is no longer relevant
- There is a call to ensure the security of supply for relevant public health groups, particularly in rural areas

Preliminary thoughts (IV)

- What does the funding consist of?
  - Pricing structure
  - Pricing level
  - Multiple roles of stakeholders (in particular the cantons)
  - Funding key
- What element helps provide solutions to unresolved issues?

Potential approaches (I)

- Before being able to bill, it is necessary...
  - ... to have the best possible pricing structure, currently rare in Switzerland (Tarmed, Swiss DRG, TarPsy, ST Reha)
  - ... to clarify who can bill what and how (example: ST Reha and cantonal mandated benefits; Swiss DRG and minimum number of cases on hospital lists)
  - ... to define a clear division of roles (cantons; health insurers limited by the system in quality and financial incentives)

Potential approaches (II)

- The approach of higher cost participation for the patient/policyholder is not sound from a public health perspective, as it causes the most vulnerable groups to lose years of life, and out-of-pocket payments are already high by international standards
- The single system approach (if fund or canton) fails as long as the multiple roles of the two stakeholders are not defined

Potential approaches (III)

- Before considering a distribution of costs among funding sources, the framework conditions must be clarified:
  - Improve/establish pricing structures now (existing legal basis)
  - Negotiate the pricing level now (existing legal basis, but in practice often in court)
  - Coordinate hospital planning and lists inter-cantonally (existing legal basis)

Potential approaches (IV)

- Clarification of framework conditions (f.)
  - Clarify multiple roles (insurers are opposed; cantons partly opposed, with the exception of Zurich)

Potential approaches (V)

- It is rather a question of rethinking the system in the medium to long term. Potential variants:
  - Division between healthcare (up to age 65) and retirement/care of the elderly (after age 65)
  - Grouping health, accident and disability insurance
  - Combining hospital funding with transitional care and healthcare funding

Conclusion

Conclusion

- The Swiss healthcare system is one of the best in the world with a high level of satisfaction within the population
- It is more competition-oriented and free choice-oriented than in many other European countries
- The funding of rising costs is becoming a political matter, but is not the main problem
- The fundamental question is where do we want to go and what framework conditions do we need
- In an ageing society, the need for healthcare coverage should gain greater importance (quality before cost-effectiveness)

Thank you for your attention