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### Overview of the Healthcare System in Switzerland

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#### OECD and WHO survey of Switzerland's health system

Switzerland's health system meets the important goals of good health outcomes and universal health coverage, but these successes come at a high financial cost. The OECD and the WHO, in a new report on the Swiss health system, praise the quality of the system and make recommendations to control its high spending.

The Swiss healthcare system compares well with other OECD countries. It has universal health-insurance coverage, permitting access to a broad range of modern medical services, and patients are largely satisfied with the health care they receive. However, spending on health as a share of Gross Domestic Product (GDP) is the second highest (after the US) in the OECD area, while other OECD countries perform equally well, or even better, at lower cost.

Switzerland spent 11.5% of Gross Domestic Product (GDP) on health in 2003, against the OECD average of 8.8%. The cost has been increasing steadily in Switzerland, rising by 2.4% of GDP between 1990 and 2004, above the OECD average increase of 1.5%. These high levels of health spending, compared with other OECD countries, reflect both the generous supply and the high prices of the services provided.

Ageing populations, coupled with new healthcare technologies, suggest that health spending will continue to rise, creating concerns about the financial sustainability of the system. "Switzerland will have to develop more cost-effective policies if it wants to better control health expenditure in the future" said John Martin, Director of the Employment, Labour and Social Affairs Directorate, OECD.

While overall health expenditures are high, Switzerland devotes only 2.2% of its health spending to disease prevention and health promotion compared with an average of 2.7% for all OECD countries. "Investing in prevention and health promotion programmes would help Swiss health authorities focus on important public health issues such as tobacco and alcohol consumption and on areas in need of more attention such as mental health and obesity. This would promote health and prevent disease in the whole population, by actively targeting people at high risk." said Dr. Marc Danzon, WHO's Regional Director for Europe.

The report recommends measures to increase the cost-effectiveness of the Swiss healthcare system. Current payment arrangements to both doctors and hospitals – e.g. fee-for service or by number of bed days - do not provide strong incentives to increase cost-efficiency and the report recommends that new methods of paying for healthcare should be considered. A system of payment on the basis of fixed prices per pathology for inpatient care would promote greater efficiency in provision and shorter hospital stays.

More reliance on gatekeeper or family doctors arrangements and less on fee-for-service payment arrangements could also be considered in primary care. If the Swiss authorities plan to control costs through competitive markets they should limit the possibilities of insurers to select insurees on the basis of their health risk. Insurers should contract with providers on the basis of quality. People buying health insurance should shop for the best coverage at the lowest premium. Increased competition in the market for nonpatented drugs (such as generics) would also help reduce prices for pharmaceuticals.

Competition in both insurance and the provision of healthcare services should cross canton boundaries.

Though financing through insurance premia remains regressive and out-of-pocket payments are high in Switzerland relative to most other OECD countries, the existing premium subsidies and cost-sharing exemptions do ensure that vulnerable groups have good access to healthcare. However, there are large cross-canton differences in subsidy levels and eligibility conditions and the report recommends setting minimum national standards.

Finally, longer-term gains in performance will require changing health-system governance. Despite its small size and population, the Swiss health system is made up of twenty-six semi-autonomous health systems, making it difficult to develop consistent national policies and competitive markets for health-care insurance, health care services and drugs. The report recommends an overarching framework law for health which would include existing legislation on health insurance, future policies on prevention, gathering national health data, and oversight of health-system performance. This would also set out national objectives and funding responsibilities and ensure that health insurance and supply are available on a broader geographical basis.

## Federal Office of Public Health FOPH

The overriding aim of the FOPH is to promote and maintain the good health of all people living in Switzerland.

On the one hand, it seeks to promote people's awareness and thereby enable them to take responsibility for their own health. On the other, it wants a general and consistent improvement of everyone's health through health promotion, disease prevention and health protection campaigns and the curing of illnesses and alleviation of suffering caused by disease and accidents.

In order to achieve these aims, the FOPH deals with issues such as

- Epidemiology and infectious diseases,
- Substance abuse and drug prevention,
- Food safety,
- Noise and radiation protection,
- Assessment and checks on chemicals and toxic products,
- Stem cell research and bioterrorism, and health and accident insurance.

## Profile

### Federal Office of Public Health (FOPH)

The Federal Office of Public Health (FOPH) is part of the Federal Department of Home Affairs. As the national authority in health matters, the FOPH represents Switzerland in international organisations and in dealings with other countries. Within Switzerland it is responsible – together with the cantons - for public health and the development of national health policy.

This includes the management and development of the social healthcare and accident insurance system. The FOPH specifies which services are paid for by compulsory health insurance and supervises the social healthcare and accident insurance funds.

The FOPH issues legal directives on consumer protection (particularly in relation to food, chemicals, therapeutic products, cosmetics and utility goods) and supervises their implementation.

The FOPH is responsible for monitoring transmissible diseases and for radiological protection in Switzerland and issues the necessary regulations.

The FOPH is responsible for national programmes designed to reduce substance dependence (tobacco, alcohol, illegal drugs) and promote healthy lifestyles (nutrition and exercise, health and the environment) and for the national HIV/AIDS programme.

It is also responsible for issuing the regulations governing the basic and advanced training of doctors, dentists, pharmacists and veterinary surgeons and awards the corresponding Swiss degrees.

Finally, the FOPH is responsible for legislation on biological safety, research on humans (including stem cell research) and transplantation medicine, and for supervising these fields.

The FOPH employs around 500 people. It has an annual budget of CHF 129 million and administers CHF 1.85 billion reserved for premium reductions in the compulsory health insurance system.

## Switzerland and the EU

Switzerland and the EU have signalled a mutual interest in intensified and institutionalised cooperation in the area of public health. The priorities are the fight against communicable diseases, general health concerns, food safety and production security in general. Of interest in this regard are Swiss participation at both the relevant EU agencies the European Centre for Disease Prevention and Control (ECDC) and the European Food Safety Authority (EFSA). Additional issues are Switzerland's accession to three rapid and early warning systems and participation in the EU health care programme for 2008 - 2013 (HP).

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