HealthManagement
Promoting Management and Leadership

Volume 5 / Issue 2 / 2010 - Country Focus: Austria & Switzerland

Healthcare in Switzerland

Author

Tosh Sheshabalaya,

The healthcare system in Switzerland is a complex combination of public care, wholly private services and subsidised private care. The share of public spending is one of Europe's lowest, with Swiss law providing for the State to support healthcare only when the private sector cannot produce "satisfactory results". As a result, on a per capita basis, Switzerland operates the industrialized world's second most expensive healthcare system – behind the US.

Distribution of Roles and Responsibilities

Roles and responsibilities for Switzerland's healthcare system reflect the country's confederal State. Consequently, its 26 local (Cantonal) governments have strong powers. They are responsible for licensing and authorisation of health professionals, hospital regulations (including accreditation) as well as operating their own hospitals and negotiating fees with service providers.

There is, however, a uniquely Swiss element within the healthcare system. Switzerland's direct democracy means that citizens play a direct role in the healthcare system, for example by voting in referenda to expand hospitals.

Hospitals: Public and Private

As mentioned, most Cantons have their own hospitals (Kantonsspitals). Other major facilities include regional hospitals (Regionalspitals) and university hospitals.

In addition, there are over 120 private medical facilities (or Kliniken), with the bulk concentrated in and around the cities of Geneva, Zurich, Berne and Basel. They account for about 20% of bed-days (or about three millions in total).

The presence of private hospitals is especially strong in the psychiatric area, where they account for a share of about half.Nevertheless, the private hospital system in Switzerland faces considerable handicaps.

Both public and private hospitals negotiate tariffs with health insurance funds, but the latter are generally covered for no more than "85% of actual costs", according to the private hospital federation Private Hospitals Switzerland. In addition, says the federation, cantons assume "at least 50%" of the processing fee plan "in all cases" for public hospitals. Health insurance funds bear a share below 50%, and this is what appears on the hospital bill. As a result, the latter "does not even state of halfthe cost of treatment."Moreover, Cantons "also finance new buildings and equipment investment in public hospitals," which are not taken into account in the invoice sent to the patient but whose costs are borne by the latter as taxpayers.

Although significantly behind a major neighbouring country like Germany (3.6 beds per 1,000 in 2007) or neighbouring Austria (6.1), acute care hospital bed density in Switzerland (at 3.5), is approximately on par with the Western European average and another large neighbour France (3.6). The acute care bed density in

Switzerland has also been declining in recent years, from 4.1 per 1,000 inhabitants in 2000 and 3.8 in 2004.

Healthcare Financing and Reimbursement

Healthcare finance in Switzerland is regulated by the Federal Health Insurance Act. Health insurance is compulsory for all persons resident in the country and covers a range of treatments. These are listed and

described in considerable detail within the Federal Act so as to provide similar standards of healthcare throughout the country. Insurance companies cannot vary premiums on their compulsory policies – on the grounds of age, gender or health status. However, this does not apply to

complementary insurance, where premiums are risk-based.

Insured persons retain full freedom of choice among recognised treatment providers. Costs of treatment and hospitalisation are covered by their insurance firm up to the level of the official tariff. The balance is borne personally through an annual 'franchise', and by a direct charge of 10% of the extra costs.

Insurance premiums depend on the insurance company, the chosen level of 'franchise', the insured person's place of residence and the degree of complementary benefits sought – for example, access to private wards in hospitals, dental care etc. In the face of rising costs, Switzerland has sought to implement cost-containment and efficiency incentives, principally in the shape of HMO-style managed care solutions. However, their share remains small, largely due to the lack of US-style incentives to restrict consumption of healthcare services. Nonetheless, managed care is estimated to have resulted in cost savings of 10–25% as compared with the traditional fee-for-service systems.

Switzerland's principal social health insurers now all have HMO divisions. There also are a handful of physician-owned HMOs. Premiums for HMOs are 10-20% lower than those for standard policies.

As mentioned previously, the delivery of health services in Switzerland consists of public care, subsidised private care and wholly private services.

The public healthcare system in Switzerland is largely based on the mainstream northern European model, principally in terms of 'fund pooling' — by virtue of which individual payments are collected by one or several insurance/sickness funds, and grouped together (pooled). Healthcare expenditures are then paid out of it. Most Cantons operate their own hospitals, and some subsidise private hospitals. Cantonal authorities also endorse fees negotiated between service providers and health insurance funds. Many have begun to use global budgets since the mid-1990s, although implementation systems vary between Cantons.

Subsidised private care in Switzerland generally includes at-home paramedical services during pregnancy, after accidents and for the elderly (including nursing homes). Fully private care, on the other hand, involves treatment by doctors in private practice, at private clinics, and is far closer to the US model.

Private Spending

In Switzerland, co-payments on healthcare accounts for about 30.6% of spending, equivalent to 1,350 USD on a purchasing power parity (PPP) basis.

Though it has declined slightly, from over 33% in 2000, the share of private spending is among the highest in the West.

Healthcare Staffing

According to 2007 statistics from the OECD, Switzerland had 3.9 physicians per 1,000 inhabitants (in line with the EU average). This is a slight rise from 3.5 in 2002. Nurse densities are high, at 14.9 per 1,000 inhabitants in 2007, up from 12.9 in 2000. This compares to levels of 7–10 per 1,000 in most Western countries (with the exception of Ireland's 15.5 and Norway's record of 33).

Hospital Stay on the Decline

The average length of acute care hospital stay in Switzerland has decreased steadily in recent years, from 9.3 days in 2000 and 8.8 days in 2004 to 7.8 days in 2007.

Outlook for the Future

In spite of efforts at cost containment, which saw healthcare spending decline from a peak of 11.3% of GDP in 2003 and 2004 to 10.8% in 2007, Switzerland still ranks second after the US as the West's highest per capita spender on health.

Further reforms to healthcare financing services are therefore inevitable. One method under discussion (and intense debate) is to move towards unitary financing of healthcare services, with a single final purchaser in the shape of the insurance firms. Public contributions would be paid directly to the health insurers and anchored within the matrix of basic health services. On their part, rather than providing a subsidy for services offered by public hospitals or for at-home care, the Cantons would pay a contribution determined in terms of a fixed percentage of all services covered by basic health insurance.

Published on : Mon, 3 May 2010