

Healthcare Market

Health insurance: ***What has remained of the goals?***

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At a glance

- The Health Insurance Act is largely a success story in terms of quality.
- The expansion of benefits has been successful, but cost containment by law has not.
- For the future, we need less bureaucracy, more competition and digital networking.

In 1982, the Année politique Suisse wrote: "Health policy was mainly characterized by the uninterrupted sharp rise in expenditure on the sick." Accordingly, a new law was introduced to get the cost trend under control. At the same time, however, an undersupply of healthcare services was also identified. New services were to be introduced and made accessible to all. This was then realized with the new Health Insurance Act (KVG) of 1994: a more comprehensive basic insurance with the same premiums for all adults was created and the option of changing health insurers each year was introduced. The intention was also to achieve cost containment through more competition.

Cost containment with more laws does not work

The KVG has achieved a great deal. Satisfaction with the healthcare system is higher in Switzerland than anywhere else (STADA Health Report 2024). The reason for this is access to comprehensive healthcare services under basic insurance. The expansion of basic insurance is still progressing, as can be seen from a recently published FOPH press release on podiatry. It is therefore not surprising that the cost containment targets have not been achieved. Moreover, instead of competitive instruments, the instrument of the statutory cost containment package has been used more and more frequently. The disadvantage here is that laws increase administrative costs and thus work against cost containment. There would certainly be opportunities to improve the cost-benefit ratio through more competition, as Elizabeth Teisberg pointed out years ago.

Sharp shift from supplementary insurance to basic insurance

With the expansion of benefits, the share of supplementary insurance (VVG) declined. When the KVG was introduced, it was around 30 percent and has almost halved since then. In addition, politicians have avoided adjusting cost sharing for over 20 years. Both of these factors naturally put financial pressure on basic insurance premiums. However, thanks to higher wages and the expansion of the premium reduction scheme, the burden on households has been limited.

What needs to be done?

A look abroad reveals an appreciation of the Swiss healthcare system. The priority must therefore be to maintain the good healthcare system. However, as with a house, good "maintenance" is crucial. There are many challenges ahead of us.

- Reducing administrative costs. More competitive and entrepreneurial concepts instead of state medicine with its flood of laws.
- The private sector in the healthcare sector must be strengthened in general to relieve the burden on state actors.
- Securing doctors and nursing staff, especially at the patient's bedside. The free movement of persons must be maintained.
- Promote digitization in order to be able to network digital content.
- Close monitoring of the changeover from TARMED to TARDOC with flat rates so that the quality of care does not suffer.
- Increase cost sharing and link it to cost trends.

If we follow this path of virtue, future surveys will also attest to the population's high level of satisfaction with the healthcare system.

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