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The Federal Council's health-policy priorities

Health2020 is an overview of the priorities which have been set in the field of health policy in Switzerland for the coming eight years. The report describes 36 measures in four priority areas for health-policy action which will be gradually implemented. They are directed at achieving a total of twelve objectives and are intended to align the proven Swiss health system optimally with current and future challenges. The **Health2020** report was approved by the Federal Council on 23 January 2013.

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1 Background

On 22 June 2011 the Federal Council approved a health-policy agenda and requested the Federal Department of Home Affairs (DHA) to report in autumn 2012 on its implementation. In the meantime some major changes have occurred with respect to the health-policy background against which the agenda was drawn up. The Managed Care proposal was rejected by the Swiss people on 17 June 2012, and on 27 September Parliament rejected the Prevention Law. These changes led the DHA to submit a revised and wider-reaching health-policy agenda with a scope which extended to 2020. This overview focuses on the current and future challenges in the healthcare sector. At the same time it must be borne in mind that reforms can only be implemented with the support of the major health-policy stakeholders, that the needs of the population must be taken seriously, and that proposals must be formulated comprehensibly.



2 The central challenges in the coming years

People in Switzerland enjoy the benefits of a good healthcare system. This was also the conclusion reached in October 2011 by the OECD and WHO following a detailed analysis.¹ International experts are not alone in seeing the many advantages and strengths of our healthcare system; the Swiss population has underlined in various referendums that it does not wish to see any radical changes made. In an international survey carried out by the Commonwealth Fund, 69 per cent of the Swiss patients who took part said that the health system functions well on the whole – it should only be modified slightly to improve it further.² Other international comparative studies also confirm that the population is very satisfied with what our health system offers.³

The strengths of the system include guaranteed access to healthcare, the broad spectrum of benefits and services covered by the statutory health-insurance system (SHI), and the high quality of care provided. This guarantees the people who live in this country a high quality of life and a life expectancy which is well above average.

However, the present system also has weaknesses. Its transparency is limited, there is no targeted management, the statistical and analytical basis is incomplete, and there are perverse incentives which give rise to inefficiencies and unnecessary costs. Furthermore, Switzerland invests too little in prevention and in early detection of diseases, and the poor quality of the services provided in some instances often goes unrecognized.

In the coming years our health system will also be confronted with numerous challenges which could call into question what has been achieved so far. These can be grouped into four problem areas:

The incidence of chronic diseases will increase

Changing living and working conditions⁴, demographic change⁵, medical and technical progress⁶ and changing health behaviours⁷ are leading to a situation in which a growing number of patients have chronic transmissible and non-transmissible diseases. Accordingly, a growing number of patients are drawing on the resources of the health system.⁸ A considerable proportion of these chronic conditions could be avoided if identified early enough. Moreover, optimized healthcare provision could improve the quality of life of people affected by these conditions. Fewer chronic diseases would mean lower costs for the health system, for business (less absenteeism) and for other branches of the social security system such as invalidity insurance. This is why effective and efficient measures must be introduced to prevent chronic disease, to detect it at an early stage and to promote health. At the same time, though, more people will have to learn to live with chronic diseases and to manage them themselves with support from healthcare professionals. This will require health skills to be reinforced.



The way health care is delivered will have to change

In the future the delivery of healthcare must be designed more deliberately from the patients' point of view; it should revolve around their needs. The present healthcare structures are too strongly focused on acute care and the provision of in-patient care. In the future a more differentiated approach must be taken to managing patients. Services must be focused more sharply on preventing disease, on the long-term care of people with chronic conditions and on the last stages of life. The mechanisms defined in the Health Insurance Law (KVG) for funding healthcare need to be modified accordingly.

Today service providers are operating with too little coordination, and too little use is being made of modern information technologies (e-health). This leads to inefficiency and duplication. In addition, it must be ensured that in the future we have enough healthcare professionals with the right training. We are currently benefiting from the fact that about one third of our healthcare professionals have been trained abroad. If the working conditions in their home countries change, Switzerland could suddenly be faced with a shortage of qualified professionals. The healthcare sector therefore needs a training strategy which focuses on both qualitative and quantitative aspects. Patients and the population must be given a stronger role as stakeholders in the health system. Their self-management skills must be reinforced and used to care for individuals in their personal surroundings. Finally, the information needed to structure the provision of healthcare optimally is currently lacking. The available data is incomplete and academic research into healthcare provision is still underdeveloped.

The financial basis of the continually growing health sector must be safeguarded

Costs in the health system, and in the statutory health insurance system in particular, will continue to increase. To the current and largely persistent causes⁹ will be added new cost drivers¹⁰. Pressure on the system for reducing insurance premiums will continue to increase, thus increasing the likelihood of more radical measures – such as the restriction of the basic services provided or differentiation of premiums – becoming popular. The shift of healthcare provision into the out-patient sector will tend to increase the share of the health system which is funded through health insurance premiums. It is therefore all the more important to exhaust the efficiency reserves, which experts estimate to be around 20 per cent. This should be done through measures such as eliminating duplication (by using e-health, for example). This is the only way for the system to remain affordable for low-income groups in society and for the lower-middle class.

The lack of manageability and transparency must be eliminated

The healthcare system in Switzerland is highly complex. Health policy is shaped by a large number of special, and often conflicting, interests. Involvement in the various areas of the system requires a high level of expert knowledge, and this represents a barrier to a critical exchange on the subject of a comprehensive, coherent health policy. Responsibility for managing and implementing health policy is divided between the federal government and the cantons. In some important areas – such as the funding of healthcare provision and training – they share responsibility. In some cases they work together productively, but the absence of coordinating bodies frequently makes it impossible to find solutions. The report published by the OECD and WHO in 2011 confirms this finding. The manageability of our health system must be increased and enforced. This will also improve transparency.



3 Priority areas for policy action, objectives and measures

A strategy with broad political support is required to consolidate what has been achieved, to eliminate once and for all the weaknesses in the health system and to overcome the challenges. What is needed is an overview of health policy which specifies the objectives and defines the measures with which these objectives can be achieved.

The focus of this strategy is people and their well-being. The health system needs to continue being developed around them and their needs. A differentiated approach needs to be taken. Individual health-policy measures must be designed to suit the different phases of life and adapted to the needs of the different groups in the population.

Health policy and the future prevention and healthcare delivery structures need to be designed in a participatory process which involves the population and patients. All the major stakeholders must be included in this process, among them the cantons, service providers, NGOs, the scientific community and the business community. The stated objectives can only be achieved if all the partners participate in designing “Health2020” and support it.

“Health2020” defines four overriding priority areas for policy action, comprising twelve objectives, each with three activities – a total of 36 activities in all. They complement the activities already ongoing in the healthcare system.

Figure 1: The four priority areas for policy action in the “Health2020” agenda





Priority area 1: Ensure quality of life

Health makes a major contribution to every individual's quality of life. Many diseases are avoidable. The central aspect here is the personal responsibility of every citizen in the country. But health-policy measures are also needed to identify diseases at an early stage, to prevent diseases, to promote health and to increase the protection afforded against new risks so that more people live more healthily in the future.

Health policy can make a decisive contribution to improving quality of life by optimizing the health services which are available and thus increasing the chance of suffering being relieved and diseases being cured. At the same time it should be noted that the state of people's health in Switzerland is determined by up to 60 per cent by factors not related to health policy. Important factors here include education, social security, employment situation or income, the environment, traffic and living conditions. These social and environmental determinants need to be improved specifically at the federal level by intensive collaboration between the departments involved.

Objective 1.1: Promote modern forms of healthcare delivery

The structures, processes and services in the out-patient and in-patient sectors of the health system need to be developed and modernized so that they are fit to cope with demographic and epidemiological challenges – particularly those relating to chronic and psychiatric disorders – and keep pace with medical and technical developments. To this end research into healthcare delivery needs to be established. The opportunities inherent in medical progress need to be grasped and risks must be minimized. The creation of integrated healthcare models needs to be supported in all areas, from acute care through long-term care to palliative care.

To achieve this objective the following additional measures need to be taken:

- Improve integrated healthcare from early diagnosis to palliative care (particularly for the major conditions such as cancer, dementia, etc.) in order to increase the quality of healthcare provision and avoid unnecessary costs.
- Adapt long-term care so that nursing structures appropriate to needs and sufficient nursing staff are available.
- Establish research into healthcare delivery, improve clinical research and promote registries (e.g. cancer registries but also new registries) so that the quality of healthcare provision can be developed and be made more efficient.

Objective 1.2: Complement health protection

Health protection (food safety, radiation protection, protection against chemicals) is a traditional focus of health policy. In this area it is important to maintain the high level that has been achieved, to deal with new risks and to identify and eliminate gaps. Many safety precautions are directed at specific groups in the population. Protection of consumers in their everyday activities must be increased, as must protection for patients or workers in their place of employment. Several action plans are currently being implemented and are coordinating the necessary measures at federal and cantonal level and with the stakeholders (e.g. the national action plan for synthetic nanomaterials, or the radon action plan). Better control of transmissible diseases is another aspect which health protection must address in the future.



To achieve this objective the following additional measures need to be taken:

- Improve health protection by avoiding unnecessary medical exposure of patients and healthcare professionals to radiation and by introducing supplementary health observation systems to prevent the population from being exposed to contaminants or eating a diet deficient in vital micronutrients.
- Control and eliminate antibiotic resistance to protect the health of people and animals.
- Reduce avoidable infections (known as nosocomial infections) in the hospital setting.

Objective 1.3: Intensify health promotion and disease prevention

Public and private stakeholders should coordinate and intensify activities aimed at promoting health and preventing and screening for diseases against the background of the growing prevalence of chronic diseases. The aim is to prevent or mitigate disease wherever possible. This will also reduce the economic costs incurred through an unbalanced diet and lack of physical activity, excessive consumption of alcohol, tobacco and drugs, the spread of sexually transmitted diseases and the in some instances poor level of immunization (against measles, etc.). The aim here should be to both strengthen and call on people's sense of individual responsibility. Adequate financial resources must be provided for health promotion, prevention and screening. Compared with other countries, Switzerland spends a relatively low amount in this area. It will also be important to take new approaches to promoting health and preventing disease. In addition, disease-prevention services and health promotion will need to be integrated more closely into the provision of healthcare.

The following additional measures need to be implemented:

- Improve the prevention of and screening for non-transmissible diseases in order to reduce the number of new cases and their impact on people and the economy; particular attention should be paid in this context to promoting health in the workplace.
- Promote mental health and improve the prevention and early detection of psychiatric disorders in order to reduce the number of cases; particular attention should be paid to the objective of preventing people who develop psychiatric problems from being removed from the employment process.
- Improve the prevention, early detection and control of addiction disorders, including new forms such as addiction to the Internet, in order to reduce the harmful effects on affected individuals, their families, society and companies.



Priority area 2: Reinforce equality of opportunity and individual responsibility

The second priority area focuses on a number of questions: how can the health opportunities of the most vulnerable groups in the population be improved and their risks minimized; how can the burgeoning costs of healthcare be slowed; and how can the funding of healthcare and solidarity between the various groups in the population be ensured. At the same time, there is a need to reinforce the individual responsibility and health skills of insureds and patients in the health system.

Objective 2.1: Reinforce fair funding and access

All groups in the population should have an equal opportunity to enjoy a healthy life and optimum life expectancy. Particular attention is focused in this regard on children and adolescents, people with a low income or level of education, the elderly and migrants. These vulnerable groups need to be able to find their way around the health system more effectively, and to this end their ability to deal with health issues needs to be increased. Access to the health system is ensured through the system of statutory health insurance, yet the vulnerable groups in society often make inadequate or inappropriate use of necessary services. The services offered by the health system need to be affordable for and accessible to sick, handicapped and socially disadvantaged individuals. To this end the existing solidarity within the health insurance system between healthy and sick people (through the mechanism of per capita premiums) and between the better-off and less-well-off needs to be reinforced and developed further. At the same time the undesirable risk selection by insurance providers must be eliminated.

Against this background, the following measures are the main focus of this objective:

- Reduce incentives for insurers to select risks so that competition concentrates on the quality of services and the management of health costs. To achieve this goal, the risk-compensation mechanism will be refined, re-insurance for very high costs will be introduced, and basic and supplementary insurance will be separated more effectively.
- Intensify programmes directed at vulnerable groups such as migrants, children and adolescents in order to meet their specific needs within the health system (in particular improving access).
- Take the individual's financial situation into account when determining the co-payment towards health costs incurred by adults, and abolish health insurance premiums for children from low-income and middle-class households.

Objective 2.2: Keep health affordable by increasing efficiency

Continually increasing costs and premiums place an enormous financial burden on people with a low income and for the lower middle class in particular. New solutions are needed to prevent more than half the population being eligible for reduced premiums. Greater efficiency, cost containment and the creation of a stable and social basis for funding are needed to keep health insurance affordable. Various measures can help to achieve this goal (see chapter 5). The emphasis here is on increasing efficiency. According to experts, the mandatory benefits provided by the health insurance system could be provided 20 per cent more cheaply on average. In order to achieve this, perverse incentives – such as the fee system in the out-patient care setting – will have to be eliminated. Measures to increase efficiency and measures to increase quality are mutually beneficial and need to be planned as a whole.



To achieve this objective the following additional measures need to be taken:

- Refine the system for determining the price of medicines, promote the use of generics, and eliminate perverse incentives in the dispensing of medicines in order to stabilize the growth of expenditure on medicines – without impeding research or undermining Switzerland as a base for the pharmaceutical industry.
- Increase the flat-rate remuneration mechanism, giving it precedence over item-of-service fees, and revise existing fee schedules (e.g. TARMED, the MiGel list of aids and devices, analysis list) in order to limit incentives for service providers to increase the range of products supplied.
- Concentrate highly specialized medicine in order to eliminate inefficiency and duplication in infrastructure systems and to increase the quality of healthcare provision.

Objective 2.3: Empower insurees and patients

The focal point of health-policy is the individual. The purpose of the “Health2020” agenda is to improve the well-being of insurees and patients. At the same time, though, insurees and patients need to be involved in health policy if reforms are to succeed. Citizens also need to be taken seriously in their role as voluntary service providers in the domestic setting and in the context of organized voluntary work. In addition, patients should play a full, equal and self-determined role in their relationship with healthcare professionals in the future. Attention must be paid to ensuring a balance between public interests and individual rights where freedom to act and decision-making powers in various areas are concerned (such as reproductive medicine and genetics). The same careful balance is required in data protection – certain principles whose aim is to ensure confidentiality must always be observed.

Against this background, the following additional measures are the main focus of this objective:

- Take greater account of patients and insurees in health policy processes (by means of delegated co-determination, for example).
- Increase the health skills and individual responsibility of insurees and patients so that they can navigate the health system more efficiently, prevent diseases more effectively and pay more appropriate attention to their medical conditions.
- Place greater emphasis on patients’ rights (i.e. the rights of directly affected patients such as the right to complain, protection against violation of data protection provisions, etc.).



Priority area 3: Safeguard and increase the quality of healthcare provision

The quality of healthcare provision is of central importance to the population. High quality also has a positive impact on the cost dynamic: it enables services which are not effective or unnecessary and unwanted complications to be avoided. This priority area encompasses the following objectives:

Objective 3.1: Promote quality in services and healthcare delivery

The quality of healthcare provision in Switzerland is neither systematically recorded nor uniformly quantified. Important data is not recorded or is not accessible to the authorities. This makes it impossible to quantify both potential for improvement and improvements that have been made. Patients do not have enough information about the choice of service providers. There is no true competition based on quality, something which would have a positive impact on the quality and cost of treatment. Quality develops through the interplay of quantification and transparency, but also as a result of new services and processes. Medical and technical research and development are important and necessary prerequisites here. Encouraging quality should lead to better treatment outcomes and reduce avoidable follow-on services to a minimum. Improved quality can save unnecessary costs.

To achieve this objective the following additional measures need to be taken:

- Implement the quality strategy in order to increase transparency and improve quality in selected areas.
- Reduce ineffective and inefficient services, medicines and processes in order to increase quality and lower costs (give Health Technology Assessments a stronger role).
- Increase people's awareness of the concerns of patients who are waiting for life-saving organ transplants in order to increase willingness to donate organs and improve the framework for transplants in hospitals.

Objective 3.2: Make greater use of e-health

E-Health tools can improve the quality of healthcare provision and patient safety by giving all healthcare professionals access to relevant information and patients' records at all locations and times. In this way e-health contributes to greater efficiency by avoiding duplication of diagnostic procedures. Great attention must be paid to protecting personal data when implementing e-health. E-Health can intensify the coordination between all stakeholders in the treatment process. This benefits patients, particularly those with complex chronic diseases. These improvements in quality will also reduce costs in the medium and longer term. E-Health is an important element in moving forward healthcare reforms designed to have an impact on quality and costs.

The major measures relating to e-health are:

- Introduce and actively promote e-medication, giving doctors, pharmacies and hospitals electronic access to information about patients' medication. Increase patient safety by reducing errors.
- Introduce and actively promote the electronic patient dossier in order to increase the quality of healthcare provision and patient safety and to support treatment processes and collaboration between service providers.
- Provide digital support for treatment processes – such as hospital discharge processes or integrated management processes throughout a treatment plan – using the electronic patient dossier to provide the necessary data.



Objective 3.3: More and well-qualified healthcare workers

The number of places for initial and continuing training in the university and non-university settings needs to be adapted to requirements, and curricula need to be adapted to the requirements of integrated management to ensure that enough healthcare professionals with appropriate training are available in Switzerland. More attention needs to be paid to public health training because the demand for these professionals in public administration and both profit-making and non-profit organizations is set to increase constantly.

The focus here is on the following additional measures:

- Train enough doctors and nurses in the relevant disciplines.
- Promote basic medical care (i.e. at primary/GP level) and collaboration between the various healthcare professions by adapting initial and post-qualification training, strengthening research and creating more favourable conditions for exercising healthcare professions.
- Introduce a law regulating the healthcare professions to ensure the quality and skills of people trained in the new healthcare professions at universities of applied sciences, to ensure that the needs of the health system are met, and to create the conditions to make new healthcare models possible.



Priority area 4: Create transparency, better control and coordination

Although Switzerland has a very good health system, the transparency of services provided, their benefits and their costs is poor. This makes it more difficult to direct the system and prevents or impedes improvements. In healthcare, too, international coordination is becoming increasingly important, and for this reason measures need to be introduced in this area as well.

Objective 4.1: Simplify the system and create transparency

At present it is difficult for both individuals and stakeholders to navigate the health system. On the one hand the health insurance system and the numerous types of cover it offers have become complicated, while at the same time the system is largely intransparent. Orientation and transparency within the health system need to be improved for all stakeholders, and for citizens in particular. This will require better data about the system to be provided and their targeted evaluation (specifically by the Federal Statistical Office and the Swiss Health Observatory).

The following additional measures are designed to achieve this objective:

- Improve supervision of health-insurance providers so that insurees are better protected, insurance providers can be prevented from becoming insolvent, and premiums reflect costs.
- Expand and improve the available data and their analysis (for example, by introducing statistics for out-patient treatment and recording data on an individual level) to enable the health system to be managed more efficiently.
- Simplify health insurance (for example, by reducing the more than 287,000 different premiums offered in Switzerland in 2013).

Objective 4.2: Improve management of health policy

It is not possible to manage complex systems like our health system from a central location. This is why close collaboration between the stakeholders on the basis of good data and analysis is needed. If the manageability of the system is to be improved, better/more binding coordination needs to be created. However, there is no constitutional basis for this approach, and health-insurance providers currently have too much control over the health system. More powerful health-policy steering instruments are needed to provide the population in the longer term with a modern, high-quality, fair and affordable health system.

To achieve this objective the following additional measures need to be taken:

- Reinforce collaboration and consultation between the federal government and cantons and, where necessary, improve the definition of their respective tasks in the federal constitution. This will optimize the manageability of the health system and make this management more effective.
- Introduce new ways of managing the system – covering the provision of (hospital-based) out-patient care, for example – so that the cantons can plan and avoid over- or undercapacities and so that the proportion of funding from taxes does not decrease in the longer term.
- Unblock fee negotiations by drawing on existing and new responsibilities, particularly for TARMED.



Objective 4.3: Reinforce international integration

International collaboration on health policy is part of the reason for the high quality of healthcare in Switzerland. It also ensures a fair international exchange of information, specialists and products such as health aids and devices. The freedom of movement accorded to nurses and doctors plays a very important role here. Switzerland already plays a leading role in the World Health Organization and in other issues affecting global health. It has a leading role in foreign health policy. The lack of involvement in health-policy developments in the EU causes problems which could be resolved by concluding and implementing a health agreement. This is vital for health protection (food safety, infectious diseases, etc.) and will provide major impetus for the provision of healthcare.

The objective is being furthered by the following additional measures:

- The conclusion and implementation of the health agreement with the EU which has already been outlined, will maintain or increase the level of protection.
- Implementation of the country's foreign health policy, through the WHO, for example, will enable Switzerland to contribute to improving global health.
- Targeted comparisons and close collaboration with countries which have similar systems to Switzerland's, specifically those in the EU, will provide input for the reform of the Swiss health system.



Interdependencies between the various priority areas, objectives and measures

The allocation of the 36 measures to four priority areas and twelve objectives presupposes that this has been undertaken from a specific point of view. This grouping could easily have been done differently because there are close relationships and interdependencies between the various areas involved. The following three examples are given by way of illustration.

- Integrated management. In addition to the first measure under objective 1.1 “Promote modern forms of healthcare delivery”, the main focus of which is integrated management, refinement of the risk-compensation mechanism (objective 2.1 “Reinforce fair funding and access”), digital support for treatment processes (objective 3.2 “Make greater use of e-health”) and reinforcement of basic medical care (objective 3.3 “More and well-qualified healthcare workers”) all contribute to the integration of health services as well.
- Cost savings. In addition to the measures under objective 2.2 “Keep health affordable by increasing efficiency”, the prevention measures (objective 1.3 “Intensify health promotion and disease prevention”) and greater emphasis on Health Technology Assessment (objective 3.1 “Promote quality in services and healthcare delivery”) will also lead to cost savings in the medium and longer term.
- Better data for the health system. In nearly all areas of health policy, it will only be possible to move forward successfully if the available data are adequate to the task. This is why related measures feature in three of the four priority areas. For objective 1.1 “Promote modern forms of healthcare delivery” the intention is to implement a measure targeting research into healthcare delivery, clinical research and registries. The Health Technology Assessment-related measure mentioned above under cost savings is also relevant for the data situation concerning the quality of healthcare delivery (objective 3.1 “Promote quality in services and healthcare delivery”). With respect to objective 4.1 “Simplify the system and create transparency”, the measures relating to the data required to manage the system and to enable specific comparison with other countries (objective 4.3 “Reinforce international integration”) will also help to improve the evidence level of findings.

There are further interdependencies between the measures, but they have not been listed here in order to avoid confusing the presentation of this information.



4 Costs and benefits of the healthcare system

The health-policy agenda “Health2020” will have an impact on the cost to the federal government and cantons of providing healthcare and managing the health system.

The economic significance of the health sector

The health sector plays a major role in the economy. In 2008 a total of 541,000 people were employed in trade and industry as service providers to the health sector, in prevention and in public administration. This represented 13.4 per cent of the entire workforce. The figure increased by around 90,000 people, or 20 per cent, between 2001 and 2008. The three biggest growth areas were sociomedical facilities (+28,000 employees), trade and industry (+23,000 employees) and hospitals (+22,000 people).

The health sector is a growth market¹¹, the pharmaceutical and medical technology industries are robust export sectors. A healthy population is a major positive factor for this country’s economy. The prevention of diseases and accidents and rapid treatment of their consequences maintains productivity and reduces the number of lost working days and long-term social expenditure. Demographic change is making it increasingly important to keep older employees in the work process. It is therefore in Switzerland’s interest to keep its population as healthy as possible for many reasons: health policy, social and economic alike.

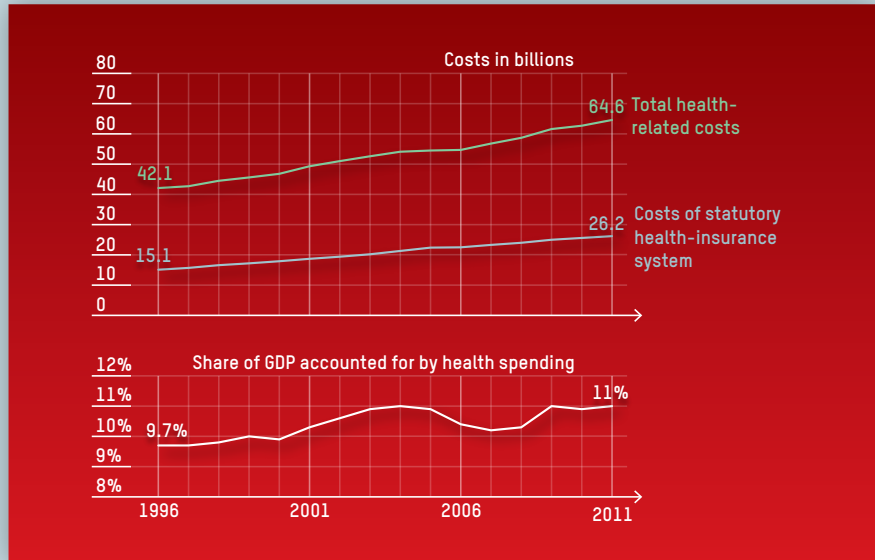
Cost dynamics in recent years

Between 1996 and 2011, costs in the statutory health-insurance system rose from CHF 13.4 to 26.2 billion (cf. Figure 2a).¹² The annual real rate of growth averaged 3.8 per cent. The number of insured individuals grew by an average of 0.6 per cent during the same period. This represents a real per capita cost increase of 3.2 per cent. The rate at which costs increased slowed during this 15-year period. In the first five years after the Health Insurance Law was introduced, per capita spending grew by 5.0 per cent in nominal terms (4.2 per cent in real terms); between 2001 and 2006 it grew by 4.1 per cent (3.2 per cent) annually; and between 2006 and 2011 it grew by 2.8 per cent (2.1 per cent) annually (cf. Figure 2b).

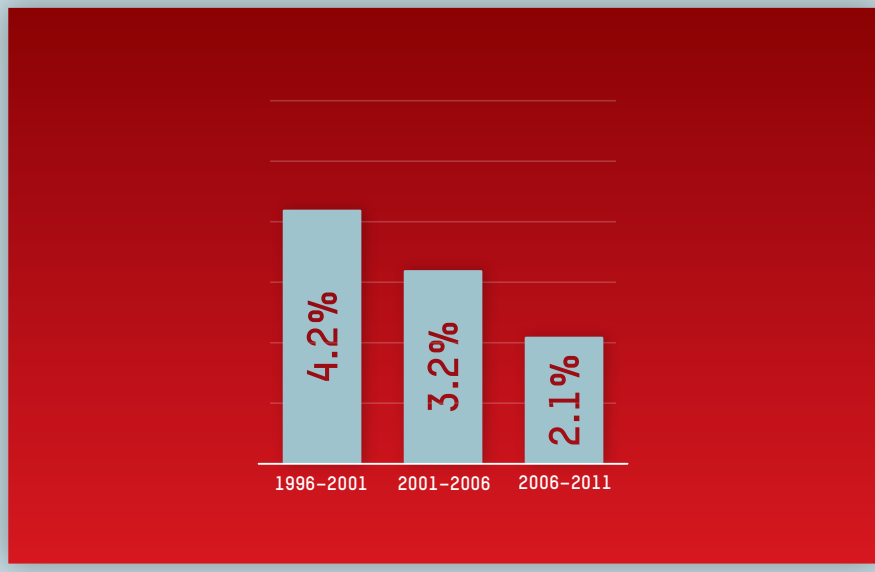


Figure 2a and 2b: Development of costs in the health system

Cost development and share of GDP



Per capita growth of SHI costs



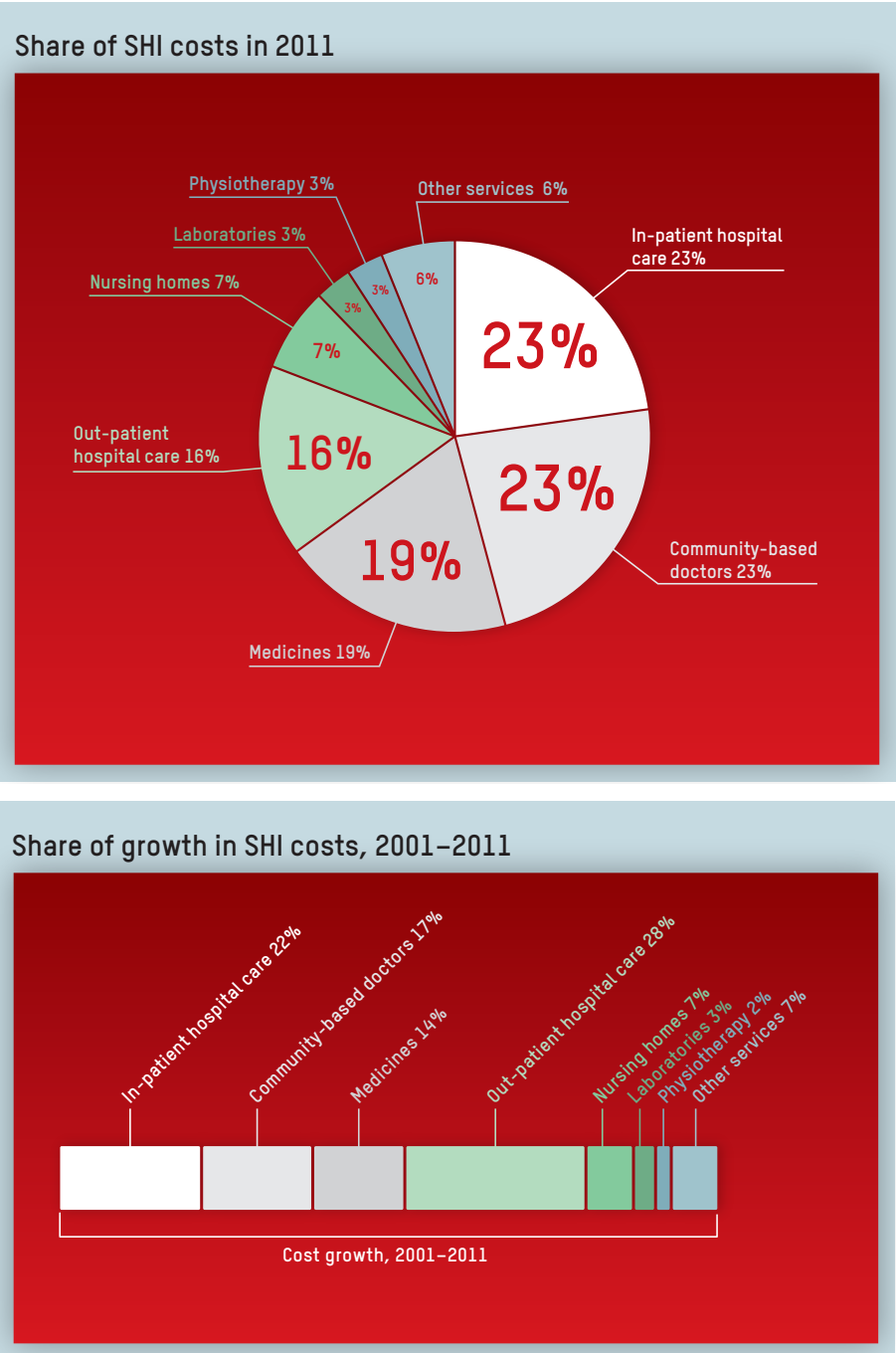
During this period the share of the gross domestic product (GDP) accounted for by spending on health increased from 9.7 to 11.0 per cent (although the figure remained quite stable during the last ten years). This puts Switzerland in the middle to upper tier among the OECD countries.

Four segments each account for about one fifth of the costs in the health insurance system (cf. Figure 3a): in-patient hospital treatment (23%), out-patient hospital treatment (16%), community-based doctors (23%) and medication (19%). Looking at growth in these segments between 2001 and 2011, one striking feature is the big increase in out-patient care provided by hospitals. In the ten years to 2011, average growth in this segment was 7.9 per cent in nominal terms (7.0 per cent in real terms) annually – one quarter of the increase in costs within the basic insurance system (cf. Figure 3b). The cost of in-patient care provided by hospitals grew more



slowly, at an annual rate of 4.1 per cent in nominal terms (3.3 per cent in real terms), yet it still accounted for 22 per cent of the real increase in costs in the ten years to 2011 and was thus almost as much of a cost-driver. Spending on care provided by community-based doctors (which accounts for 17% of the real growth in costs) and medication (14%) dispensed by pharmacies and self-dispensing doctors grew less markedly.

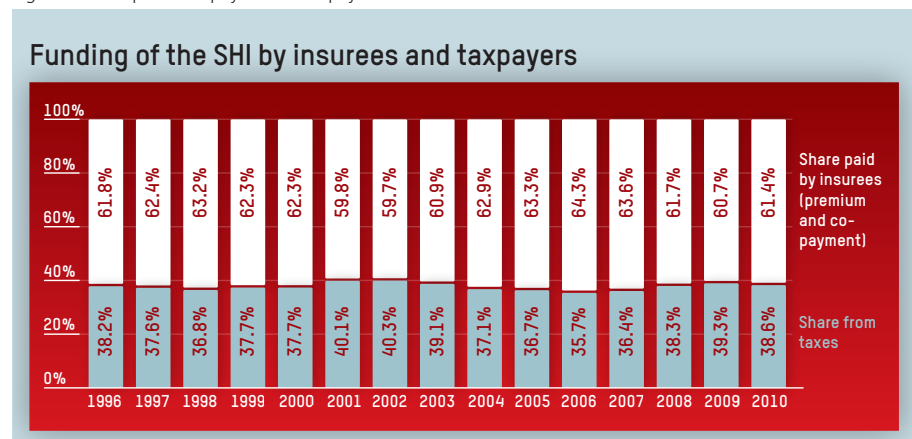
Figure 3a and 3b: Costs in the health-insurance system, by category:





The burden of financing the SHI system is shared as follows. Taxpayers fund the premium reductions and the (cantonal) subsidies for hospitals, and the individuals insured by the basic insurance system bear part of the cost through their premiums, their co-payments and their deductibles. Over the last 15 years, the proportion of the costs borne by insurees has fluctuated between 60 and 65 per cent (mean 62%), the proportion borne by taxpayers between 35 and 40 per cent (mean 38%). The tax-funded share of health-insurance costs peaked in 2002 at 40.3 per cent, a level below the OECD average (cf. Figure 4). By way of comparison: in order to reach this level of around 40 per cent in 2010, the share of expenditures funded by tax revenue would have had to have been about CHF 800 million higher than it actually was in that year. Moreover, the hospital funding mechanism introduced on 1 January 2012 should also lead to an increasing proportion of healthcare being provided in the (hospital) out-patient setting, with a corresponding decrease in in-patient care. This will increase the financial burden on premium payers even more sharply than the burden on taxpayers. As a consequence, it must be ensured that the share of health-insurance costs borne through taxation is not reduced.

Figure 4: How premium payers and taxpayers fund health insurance



The federal tax administration has projected the costs of funding healthcare until 2060. Of course, the figures depend heavily on the assumptions made for this very long time scale, but they do show that, in health-policy terms, the greatest potential for influencing costs lies in health promotion and disease prevention. Measures affecting prevention and screening contain costs more effectively than measures designed to boost efficiency.



5 The impact of the “Health2020” agenda on healthcare costs

The measures in the “Health2020” agenda designed to increase efficiency and improve quality can contain the growth of costs in the health sector. Experts assume that the services currently available could be provided around 20 per cent less expensively with no loss of quality (this was equivalent to CHF 5.2 billion paid through insurance premiums in 2011). Below are all the measures which contribute to exploiting these efficiency reserves and an explanation of the efficiency-related savings which can be made. The measures affect all four priority areas.

- Improve integrated management from screening to palliative care for the diseases which have the greatest impact on the population (such as cancer and dementia). Integration of services will reduce duplication and inefficiency, while increasing the quality of care provided as a result of better coordination of healthcare provision. Better quality is very frequently cheaper too, and this is an additional cost effect.
- Refine the mechanism for determining the price of medicines, promote the use of generics and suppress perverse incentives in dispensing. This will make medicines cheaper and ensure that they are used in a more directed fashion. This will lead to lower costs. In addition, elimination of the existing perverse incentives relating to the dispensing of medicines will reduce costs in the future.
- Place more emphasis on flat-rate fees rather than item-of service fees. This will put the interests of service providers into sharper focus. The emphasis should be not on providing as many services as possible but on providing the optimum number of services to achieve the desired effect in terms of curing the patient. This will reduce costs.
- Concentrate highly specialized medicine. This will decrease duplication and inefficiency and at the same time increase the quality of healthcare provision.
- Reduce services, medicines and processes which are not effective and not efficient (increase the role of Health Technology Assessment). This will bring about a major reduction in inefficient and relatively ineffective measures. And this will lower costs.
- Improve the prevention of and screening for non-transmissible diseases. As a result, people will be ill less frequently, for a shorter time and less severely. This will result in savings in the health system and also in companies. Prevention and screening measures have a powerful effect in terms of containing costs.
- Implement the quality strategy. It will create the conditions for true quality-based competition between service providers. This will help to contain costs and punish poor quality.
- Introduce and actively promote the electronic patient dossier. This will create a basis for improving all processes based on patient records. It will reduce both duplication and multiple examinations and can prevent medication errors.
- Digital support for treatment processes using the electronic patient dossier to provide the necessary data. This will create the conditions in all medical processes for taking faster and more targeted decisions, leading to gains in both quality and efficiency.
- Reduce the incentive for insurance providers to select risks. They will then concentrate on managing health costs and will be in a true quality-based competitive situation which will reduce health costs.
- Improve health protection by avoiding unnecessary medical exposure to radiation and by introducing supplementary health-observation systems to prevent the population from being exposed to contaminants or eating a diet deficient in vital micronutrients. Avoidance of unnecessary and even harmful doses of radiation will reduce costs, as will improved monitoring, which can form a basis for earlier intervention before high costs have been incurred.



- Monitor and control antibiotic resistance. If the efficacy of antibiotics is preserved, the duration of illnesses can be reduced, thus lowering costs and also sparing important economic resources.
- Promote mental health and improve the prevention of and screening for psychiatric disorders. If the frequency, duration and intensity of psychiatric disorders are reduced, substantial follow-on costs can be avoided in the health system and in companies.

At the same time, other factors – such as medical and technical progress, increasing prosperity and demographic change – are tending to drive healthcare costs upwards. These additional costs cannot be offloaded onto premium payers in full. If the measures described in “Health2020” are not implemented, costs will increase considerably more, as the above list shows.

“Health2020” will also have an impact on the cost of managing the health system. The federal government, cantons and other stakeholders will have to invest more in order to achieve the goals. This additional sum will comprise specific expenditures to create the conditions under which future cost savings can be made (the concept of “bending the cost curve”). Only some of these investments will be ongoing expenditures. In many cases the task will be to launch impulse programmes in order to initiate a development and to cross a threshold. In funding these investments designed to slow the development of health expenditure in the future, adequate account must be taken of the principle of equivalence (the user-pays principle).

The existing division of responsibilities between the federal government and the cantons must be observed when implementing health-policy priorities. With this in mind, any shift in the financial burden between the two levels of government must be avoided. Should reassignment of responsibilities appear to be appropriate or necessary as a result of economic considerations and with a view to optimizing the management of health policy, an effort should be made to compensate the federal government for taking on the associated burden.



6 Prioritization of measures, next steps

There are a lot of stakeholders in the Swiss health system. It is the task of the Federal Council to develop strategies for refining the system and for future collaboration. If the planned health-policy strategy is to be implemented effectively, however, all the partners involved in the system must of course cooperate and provide support.

Implementation of "Health2020" will start in February 2013. Priority will be given to the following measures, and these will be submitted to the Federal Council before the end of the year:

1. "Reduce incentives to select risks", which will be submitted to the Federal Council in mid-February as part of the counter-proposal to the public health insurance .
2. "Introduce and actively promote the electronic patient dossier", which will be submitted as a motion to the Federal Council in the first half of 2013.
3. "Use existing responsibility for TARMED". With effect from 1 January 2013, the Federal Council acquired new responsibility for TARMED. In the first half of 2013, the DHA will submit a discussion paper on the use of this new responsibility to the Federal Council.
4. "Increase people's awareness of the concerns of patients who are waiting for life-saving organ transplants in order to increase willingness to donate organs." The DHA will submit a specific proposal for the next course of action to the Federal Council in the first quarter of 2013.
5. "Reinforce basic medical care", as part of the "general practitioner" master plan.
6. "Implement the quality strategy." The Federal Council will be able to discuss the relevant consultation paper during 2013.
7. "Refinement of the mechanism for determining the prices of medicines", with respect to which the DHA will be submitting a discussion paper to the Federal Council in the course of the year.
8. "Introduce new management tools in the (hospital) out-patient setting". While it was developing its motion on the temporary reintroduction of the licensing restriction, the DHA already announced that it would be putting forward a proposal for the long-term regulation of out-patient care during 2013.
9. "Introduce a law regulating the healthcare professions". The consultation paper is scheduled for approval by the Federal Council during 2013.
10. "Expand and improve the available data and its analysis", which will be submitted to the Federal Council in 2013 as part of the MARS statistical project.

Other measures still have to be developed and will not be implemented until the second phase (for example, greater involvement of patients and insureds in health-policy processes, greater collaboration and coordination between the federal government and the cantons, and better definition of their respective functions in an addendum to the federal constitution with a view to optimizing the manageability of the health system and managing it effectively). The impact of the measures implemented in the first phase should first be evaluated so that the experience gained can inform the second phase. Each new measure will be submitted to the Federal Council for approval.



“Health2020” needs the combined support of all the cantons. The overview will therefore be discussed with the Board of the Swiss Conference of the Cantonal Ministers of Public Health in the context of national health policy and also with the Ministers of Public Health in all the cantons.

All the other partners also need to play an active role; these include service providers (FMH, H+, etc.), insurance providers, insurees and patients, a large number of non-profit organizations and some companies in the private sector.



7 Conclusions

Switzerland has a very good health system. It is, however, facing some major challenges (increase in the incidence of chronic illnesses, adaptation of healthcare delivery structures, financial viability and affordability of the health system, lack of manageability and transparency), and existing weaknesses (marked fragmentation of the health system, perverse incentives, shortcomings in disease prevention and screening, lack of uniformity in quality assurance systems) are forcing us to develop the health system to make it fit for the future. To this end, measures need to be taken in various areas. The Federal Council proposes the “Health2020” agenda for reform, which comprises the following four priority areas for policy action:

- Ensure quality of life
- Reinforce equality of opportunity and individual responsibility
- Consolidate and increase the quality of healthcare delivery
- Create transparency, better control and coordination

The agenda comprises 36 measures which round out and give greater depth to health-policy reforms which are already in progress. All measures will be implemented gradually as a coordinated package. The presence of many stakeholders who shape and underpin the health system will be taken into account. They will all be actively involved in the ongoing development and implementation of “Health2020”.

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- 1 OECD-WHO (2011): Switzerland. OECD Reviews of Health Systems.
 - 2 This puts Switzerland well ahead of the field, as the United Kingdom is the only other country in which more than half of those questioned (51%) were largely satisfied with their health service.
 - 3 C. Schoen, R. Osborn, D. Squires, M. M. Doty, R. Pierson, and S. Applebaum (2010). How Health Insurance Design Affects Access to Care and Costs, by Income, in Eleven Countries, Health Affairs Web First.
 - 4 Financial pressure in the employment setting, and thus expectations of employees (in terms of mobility, availability, etc.), are likely to intensify further. Furthermore, it is currently not possible to say whether environmental, transport and living conditions can be maintained or improved.
 - 5 Demographic change comprises an increase in the number and proportion of elderly people, a decrease in the number and proportion of children and adolescents and perpetuation of the increase in life expectancy.
 - 6 Medical and technical progress is improving the options for diagnosis and therapy. This means that diseases will be diagnosed sooner, but also treated for longer. Diseases that used to have a fatal outcome will become chronic conditions.
 - 7 The main elements in unhealthy behaviour are too little physical activity, eating too much, smoking and drinking too much alcohol.
 - 8 It seems that people with psychiatric conditions are stigmatized slightly less nowadays and that acknowledgement of such disorders has improved (more psychiatric illnesses are being treated).
 - 9 The major causes are: medical and technical progress, increasing demand as a result of growing prosperity, demographic change.
 - 10 For example, the trend towards personalized healthcare or the development of drugs for rare diseases.
 - 11 Between 1985 and 2008 the number of jobs in the health sector rose by 3.1 per cent annually, while the increase in the economy as a whole was 0.9 per cent (FSO).
 - 12 Health-insurance costs include services paid for by insurance providers, administrative costs and insureds’ co-payments and deductibles. The figures do not include the contribution made by the cantons and communes to investment in and the operation of in-patient facilities (CHF 8.7 billion in 2009).



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