



Healthcare in the Age of Reform

Looking at the Swiss Healthcare System: Are There Lessons to be Learned for Others?

As the Healthcare Reform debate continues it becomes important to find ways to look at both the best of what the United States has to offer in regards to healthcare but to also look at how other nations have addressed their healthcare challenges. Twice a year, senior executives throughout the healthcare system do just that. For the last eleven years, the Academy for International Health Studies, now known as TPG International Health Academy (TPG-IHA) has offered the opportunity for those in a position to most affect healthcare within the United States to travel to other countries and meet and interact with their counterparts in these countries. When TPG-IHA traveled to Switzerland last fall, the question before the group was: "What can be learned from a country that many consider has the best healthcare in the world?"

The senior executive participants focused their time and energy with Swiss healthcare experts on three areas: access and coverage of health insurance, quality of the care received by the population and costs of care within the Swiss healthcare system.

Background

Switzerland's journey of healthcare reform began in 1996. The changes that were made at that time were to promote equal coverage, contain costs and improve quality. These goals align with Dr. Donald Berwick's "triple aim" focus in the United States. As has been seen in other countries, initial legislation is just a starting point. In Switzerland new reforms were proposed in 2003, 2004 and are being discussed again in 2011.

In order to understand healthcare in this western European nation, one must understand some basics about the country itself. To a large degree, the Swiss population of approximately 7.9 million people is concentrated in a few areas of the country. Switzerland is comparable in size to the states of New Hampshire and Vermont combined. Although the population of Switzerland is much more homogenous than the U.S., recent immigration has caused an increased variety of nationalities. The unemployment rate is just about 3 percent. Switzerland is made up of 26 cantons, which act similarly to our states in some ways. When it comes to healthcare the canton takes on many roles. It can own hospitals within its geographic area, function as a payor as it subsidizes hospital costs for inhabitants and is a healthcare regulator within its borders.

Access and Coverage

Similar to the U.S., healthcare reform in Switzerland began with a focus on coverage and access to healthcare for its population. Since 1996 Switzerland has mandated healthcare for all of its population. This includes both citizens and undocumented immigrants. One of the most controversial measures within healthcare reform in the U.S. focuses on universal mandated coverage. Many that oppose mandated coverage do so because of their concerns that this will lead to a single payor, government run and funded healthcare system. Although health insurance is regulated in Switzerland, mandatory basic

health insurance is offered through private insurers in a not-for-profit insurance model. Accident insurance is available through employers and can be obtained from for-profit insurance entities as can other supplemental health insurance products. Although supplement insurance pricing may be different depending on the person through the use of risk adjustment models, there is an obligation to accept all applications. There are over 80 insurance companies nationwide, although not all are represented in each of the cantons. During the mission, the executive delegation found that the system utilized in Switzerland could be a viable model within the U.S. The issue that arises is that of 'for-profit' versus 'not-for-profit' healthcare and how it differs between the two countries.

Quality

A second area of comparison was the quality of care received in the two countries. Although we often hear that the U.S. has the best healthcare in the world, data from organizations such as the Commonwealth Fund and the Organization for Economic Cooperation and Development (OECD) Quality Initiative do not prove that to be true. Data from the Commonwealth Fund showed that life expectancy in Switzerland is approximately two years longer than in the U.S. and data from the OECD Quality Initiative has shown that Switzerland consistently rates highly in quality measures. In many cases they have been rated higher than the U.S. Interestingly, due to the different type of relationship that insurers have with physicians in Switzerland, many of the quality initiatives are provider-initiated and not systematically approached as they are in the U.S.

In order to evaluate quality of care, one needs to have good data available. Data protection is an issue in Switzerland just as it is in the United States. In both the U.S. and Switzerland there are data privacy issues concerns from the population at large. These concerns often can limit the data available for analysis. One major difference in data availability between the two countries comes from the different relationship that providers have with insurance companies. In Switzerland there is significantly less data sharing between the doctors and the insurance companies than what we see here. This is due to payment structure differences and the lack of oversight that the insurance companies have in Switzerland. This difference makes certain quality tracking much more difficult in Switzerland.

Another area of differentiation between the two countries is in the use of guidelines and practice pathways. National guidelines have been widely utilized in a number of areas such as asthma, diabetes and heart diseases within the U.S. for almost twenty years. Many believe that the broad use of guidelines promotes best practice and decreases the variation in care. Guidelines are just beginning to be utilized in Switzerland.

There has been a great deal of discussion regarding the need to improve the coordination of care and breakdown of silos in the U.S. healthcare system. The delegation found that there is a similar need for improvement in this area within the Swiss healthcare system.

Interestingly, the Swiss people are quite proud of their healthcare system. The consensus overall is that they feel healthy. This was true for those that were disease-free as well as those with chronic medical conditions. The one concern they articulate is that healthcare was getting expensive.

Cost

Similar to the United States, rising costs is an issue to the people and the government of Switzerland. Although the U.S. has the highest healthcare costs per capita at 17% of GDP, Switzerland is not far behind at about 11%. There are a number of significant cost drivers in the U.S. including chronic medical conditions, variability in care and costs as well as the lack of care coordination. Even though Switzerland is significantly smaller than the U.S., they too struggle with variation in care and cost of care. Within Switzerland, the canton with the highest costs is more than twice that of the least expensive canton in regards to healthcare. Doctors in Switzerland are able to, and often sell, medications through their offices. It is believed by some that this practice leads to additional variation in care as well as perceived overuse of medication and, in some cases, cost inflation.

Premium hikes and additional costs are becoming a burden on the middle class in both countries. Out-of-pocket costs consisting of both deductible and co-pay tend to be higher in Switzerland than is found in the U.S. Some feel that this leads to decreased utilization of unnecessary care in Switzerland. It was unclear to the delegation if there truly was this type of self regulation or if it was due to less availability and access to certain services, such as MRI scans. Due to these cost concerns there have been requests by the population to reduce administrative costs across the system.

Summary

By the end of the week, the TPG International Health Academy delegates determined that neither country had clearly and definitively solved all the problems associated with healthcare. Both countries have areas of strength as well as areas where they could learn from each other. The delegation agreed that there were lessons that could be learned from their experience in Switzerland, many of which they could take home and utilize within their organizations. The delegates recognized a secondary benefit from the week in Switzerland which was the opportunity to engage in dialogue with each other in ways that are often not possible in their day-to-day professional lives. This focused dialogue also led to a better understanding of their own system and created additional opportunities for improvements in the system.

For more information on the TPG International Health Academy and on their Executive Trade/Study Missions, please visit www.tpg-iha.com.