# Interview: Lukas Engelberger – Head of the Health Department, Executive Council of the Canton of Basel-Stadt, Switzerland



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*Lukas Engelberger discusses the challenges and benefits of the healthcare system in Switzerland and the Canton of Basel-Stadt, new milestones in dentistry and the organizational structure between the hospitals and the canton, as well as the federal and cantonal jurisdiction.*

**You are now two years into your four-year mandate as head of the department of health. What have been some of the main milestones since you started?**

One milestone that is very recent, and still ongoing, is the local dental clinic that is currently being constructed. We used to have three dental clinics, one for children, one for adults, and one for the university. Now all three will be together in a publicly governed university clinic for dentistry, which also performs social dentistry. This was voted on and passed early last year. The finished structure will be the largest dental clinic in Switzerland.

Broadly speaking, one of the largest milestones has been the managing of hospitals. In 2012 the responsibility of ownership over the hospitals was changed; they were separated from the state and became independent public establishments. Although the hospitals are governed by the cantons, they are no longer part of the cantonal administration. This is much like the way universities are organized in Switzerland. Historically most hospitals were directly a part of the cantonal administration. Until the end of 2011, this department used to include 10,000 of the

university hospital employees, who have since been transferred to the newly created hospital entities. Now the department has only about 300 employees. What comes with this change is that one of my main tasks is now managing the ownership of the hospitals. We appoint the boards, and we draft the strategy. This involves an open dialogue and constant communication with the boards. It is still a new process for us. Looking forward, we would also like to combine our University Hospital and the Cantonal hospital of the canton of Basel-Landschaft in order to form one hospital group. I am particularly active in this field.

**What additional responsibilities does the health department have in regard to the hospitals, aside from appointing the board and directing a strategy?**

On a political level we defend the interests of the hospitals. For example, on construction projects we present the project to parliament to gain the necessary approvals. We have to work with the demands of the public as well. For example, when plans emerged for a psychiatric ambulatory for children to be build next to the psychiatric hospital for adults, we had to navigate the public's concerns and provide solutions.

**The Federal responsibilities and the cantonal responsibilities are not always clear cut when it comes to healthcare in Switzerland. Could you give us an overview on where Federal responsibilities end and the cantonal begin?**

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The cantons and the federal government go back and forth in deciding what aspects of healthcare are federal and which are cantonal. In general, any type of jurisdiction is with the canton as long as it is not transferred by the constitution. Some matters are clear, such as national defense, which is a federal matter and local construction projects, which are cantonal matters. Healthcare however, is a matter that is divided between federal and cantonal jurisdiction. For example, developing hospitals locally or providing services for school children are both cantonal responsibilities, but then social insurance and regulating health insurance are federal responsibilities.

In Basel we have a special history. We are a split canton. For historical reasons in 1833 the countryside municipal separated to become Basel-Stadt and Basel-Landschaft. Together the two cantons have each one representative in the council of states, this in contrast to most of the other cantons who have two representatives. We are a small region with two different regimes, which means that we need to coordinate between the two Basel Cantons. We have to agree on insurance reimbursements between the cantons.

On a cantonal level, we are a co-financer of in-patient services. We cover 56 percent in Basel-Stadt. We only cover in-patients and not out-patients. It does not matter whether the hospital is in Basel-Stadt or another canton, if a inhabitant of Basel-Stadt is treated in a hospital, the Basel-Stadt Canton pays 56 percent. The tariffs of Basel-Stadt are among the highest in Switzerland, so hospitals outside the canton are less expensive.

**A number of our interviewees, such as Pamela Alexa, country manager at Pfizer Switzerland and André Lüscher, general manager at Gilead Switzerland, have said that when it comes to financing within the healthcare system, there is sometimes a lack of transparency and accountability due to the different layers and the number of different actors involved. What is your view on this?**

It is true that the system is complex. I think in particular in the area of “in” vs. “out” patient hospital treatments. This can lead to bad incentives. Generally speaking I do not see it as a bad thing for the financial responsibility to be shared between the insurance company and the cantons. The rules for financing, however, should be the same for all sorts of treatments, whether in the hospital or with a private doctor. It would make sense to have the same share of co-financing for providers; however, this was very controversial and the cantons feared that this would increase their financial burden. The more things the canton needs to cover, the lower the percentage of the coverage would be. But as mentioned, despite the undeniable complexity, the system is working and is successful. If we were to simplify the system to an all-public or all-private system, this would take out much of the complexity, but it would also have additional downsides. What makes the Swiss healthcare system different is that insurance is mandatory, which mitigates risk. This allows the system to function the way it does, where everyone gets treated and everyone pays.

**Swiss pharma is famous for its oncology drugs, with the likes of Novartis and Roche as two of the most prolific companies in that front. However, we also see that cancer is the second highest cause of death in Switzerland, which has led to the creation of the national strategy against cancer 2014-2017. How advanced is the implementation process and are there any early signs of results?**

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It is a bit early to see any results. As a canton we have initiatives to fight against cancer. The Basel Cantons were the first cantons to have a cancer registry, established in 1969, and funded since 1992 by the two Basel Cantons. We have been financing a screening for breast cancer since August 2014 and this is done by the Krebsliga beider Basel, an NGO. This has been quite successful,

although it is still controversial whether screening is beneficial. We believe the screenings are value for money due to the positive impact that early treatment has on the quality of life of the patient. There are also very early discussions about colon cancer screenings. We want to stay active in this field. For cantons it tends to be difficult to bring proof of concept for these strategies. It is good to align long-term goals with the federal government, cantonal government, and the stakeholders.

**Looking forward over the next 5–10 years what do you see as the major challenges facing the Basel-Stadt Canton Health Department?**

Our main challenge is in finding more efficient methods to regulate hospital treatments. This can only be done on a regional level, but it involves extensive collaboration with Basel-Landschaft, which adds an additional layer of complexity.

Another widely acknowledged challenge is the rising cost of healthcare. The insurance premium in Basel-Stadt is the highest of the cantons, in part due to demographic reasons. We are mainly one city and in cities there tend to be more people that require medical attention, which in turn costs more. From a macroeconomic standpoint, the value that the healthcare system creates here in Basel, is equal to the costs. The average cost of the system is about CHF 500 per adult (USD 510.78). The main driver of costs come from the aging population, but also the health-conscious trend that is creating more demand for the services within the system. People are more aware of the importance of good health, and there are more treatments on offer. People also do not pay directly, meaning they do not feel the costs of an additional treatment or additional consultation. Healthcare is also very accessible here. We have the highest in-patient cap per capita and the highest use of treatments per person. These statistics are part of the picture. That being said, we are ahead in this regard and we are managing these costs well.

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