Interview: Dr. Ignazio Cassis – President, curafutura & Chairman, Committee for Social Security and Healthcare, Swiss Federal Parliament, Switzerland



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Switzerland may have a world class healthcare system, but small adjustments are needed to ensure incentives for payer and providers are properly aligned with the patient's ultimate quality and value of care.

Dr. Cassis, could you please introduce yourself, with reference to your experience and current responsibilities in the realm of healthcare?

Today I serve as an elected national councilor within Switzerland's federal parliament. I currently act as the president of the Committee for Health and Social Security, for the term December 2015 through December 2017, and thus I am responsible for maintaining the smooth functioning of the committee which means playing a more politically neutral role.

Outside of government, I also serve as the inaugural President of curafutura, the association of innovative healthcare insurers which was created in 2013.

How did you come to be involved with the creation of this new association for Swiss healthcare insurers?

I was contacted by the Chairman of Helsana Mr. Thomas Szucs, and he asked me to meet in person to discuss a new project. Mr. Jodok Wyer, Chairman of CSS, joined us for the meeting, they

informed me that Helsana and CSS wanted to leave Santésuisse, the existing national health insurance association, and start a separate association.

The reason for their departure from Santésuisse was that their differences in opinions with other members on several key issues were too large to continue. First, negotiations between healthcare providers and insurers had become effectively blocked and the members of curafutura wanted to try doing things differently, to try to actually reach some solutions and get out of a cycle of discussion and blocked decisions. Second, they aimed to strengthen the mechanism by which insurers with higher risk patient populations are compensated by those insuring lower risk patients – which many members of Santésuisse opposed.

Given these differing objectives, Helsana and CSS, along with Sanitas and KPT/CPT decided it would be best to set up their own association to pursue a different course of action for negotiating with healthcare providers, and to advocate for the strengthening of the risk-compensation mechanism. Helsana and CSS are two of the three largest insurers in Switzerland. With the two other members of curafutura they insure about 45 percent of Swiss inhabitants, with the other 55 percent are covered by the more than 50 insurance companies that belong to Santésuisse. Really, the issue was that in Santésuisse it was one company one vote, and when some insurers have over a million patients and others only maybe 50 000, the association could not possibly function well.

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Why did the members of curafutura seek to make you the president of this new association?

As I understand it, I was approached to play the role of president for two reasons. One, because in my former professional career as a medical doctor, I worked for many years within healthcare providers and as a public health officer within State institutions. I therefore know the perspective, culture and mentality of those working within these two parts of the healthcare system. Thus, they hoped I could help to build bridges and help foster a problem solving mentality between insurers and healthcare providers. Second, I was leading the team of the national councilors in the Swiss Federal Parliament that were seeking to correct the risk compensation mechanism, and thus a key player in the effort towards accomplishing one of their primary objectives.

Could you please tell us about this risk-compensation mechanism and why it needed to be strengthened?

The Swiss healthcare system still has a liberal scaffolding. It is a market oriented system with at the same time social targets and therefore legal constraints. Everyone – independent of age, gender, health and economic status – pays the same insurance premiums, whereas people with a lower socio-economic status receive State subsidies. The financing of the system is essentially insurance based, with important fiscal corrections. Aside from these basic constraints, insurers are essentially free to compete on quality and price, and people have freedom of choice to purchase insurance from the provider they prefer.

A market oriented insurance system with social targets only works with a solid risk-compensation mechanism. The core business of insurance companies in general is to select risks, i.e. to look for clients with lower risks and therefore less costs. Thus, in the healthcare market, healthcare insurers will also compete on their ability to select risk, just as car insurance companies seek to select lower risk drivers. However, this is not the kind of competition desired by State or the Swiss people; health insurers should compete only on quality and costs, and not on their ability to select lower risk patients to insure. This is possible if insurers with high-risk patient populations are compensated for the additional costs by the insurers covering lower risk patient populations, and this is what we call the “risk-compensation mechanism”.

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As our national law on health insurance entered into force in January 1996, the mechanism hasn’t performed very well and we still see some competition on risk selection occurring. Since we want good competition, based only on quality and costs, we hat to fix this mechanism. Of course, insurers with lower-risk structures were quite happy with the status-quo and opposed strengthening the mechanism.

The creation of curafutura was a big step, and with the association’s support we were able to pass legislation in parliament designed to correct the risk-compensation mechanism such that insurers no longer have the incentive to compete on risk selection. This new legislation is currently with the Government (The Federal Council) who are reviewing the amendments and seeing how it can be implemented – and it is planned to enter into force in January of 2017.

With this concreate goal accomplished, what is the mission of curafutura today?

Simply put, our mission is to help our members fulfil their responsibilities within the framework of Swiss law and the Swiss healthcare system. In principle, the Swiss healthcare market is supposed to manage itself, with insurers and healthcare providers negotiating with each other to find equilibrating prices, volumes and quality. According to the law, the State plays a “subsidiary role”,

i.e. it has to mediate when the players fail in finding solutions. Prior to curafutura's creation, negotiating partners were unable to fulfil the tasks they were given and thus were not moving forward. The members of curafutura wanted to enable this process and to provide innovative solution at the system's level. The association's primary role is therefore to represent our members in negotiations with healthcare providers, and to provide a political lobbying function.

In this capacity curafutura represents itself as "the association of innovative health insurers," and are committed to ensuring a competitive environment for Swiss healthcare, on the basis of quality and innovation. Towards this end, we seek to maintain a strong collective partnership with healthcare providers to support quality and efficiency of healthcare in Switzerland.

What are some of the tasks ahead of the association to push the Swiss healthcare system towards greater quality, efficiency, and innovation?

First of all, just to be clear, the Swiss healthcare system already scores high on all of these attributes, and in general people are very happy with it; an annual healthcare survey has shown between 80 and 85 percent of people are satisfied or very satisfied with their healthcare for the last 18 years. As such, no big changes are needed. However, there are some specific details to fine tune, namely the financing procedures of the system and the pricing of healthcare services. The last ones incentivize payers and providers to pursue sub optimal behavior. Adjusting these details and removing the negative incentives is a major goal for curafutura going forward.

The first negative incentive exists because of the way in-patient hospital care is financed in Switzerland. Today, while out-patient care is paid 100 percent by the insurer, 55 percent of the cost of in-patient care is paid for by the Canton. Over the last 20 years there have been great advances in medicine which have enabled the treatment of a wider variety of ailments in the out-patient setting, however today Swiss insurers often have the incentive to encourage in-patient treatment as they only pay a portion of this cost. We see this as a problematic incentive, and are now discussing this issue with the Committee for Health and Social Security within Parliament, as well as some Cantonal Ministers of Health. The vision is to adjust the funding structure such that insurers pay the same fraction of the cost in both the in-patient and out-patient setting, with the Canton's providing the same total value of funding that they do today – this would mean the Canton's would direct some of their funding to the out-patient care setting. However, this is a challenging change to negotiate and implement as it will involve the insurers giving up some control over out-patient care, as the Cantons will want to have some input in this area if they are to provide funding to it.

The second source of bad incentives exists due to our tariff or pricing structure for healthcare services. Our pricing structure for the outpatient setting (TARMED) has not been updated since 2004 – this is unacceptable. Moreover, as more medical issues can now be treated in the outpatient setting and prices for outpatient procedures are different from their counterparts for the inpatient setting – these two prices are not at all aligned. Thus, healthcare providers may have the incentive to decide to treat a patient on an in-patient or out-patient basis depending on which procedure may bring their hospital or themselves a greater profit – ideally the prices would be aligned such that after they covered the cost of the procedure and provided an equal additional benefit to the healthcare provider. We are currently working with the healthcare providers to harmonize the fee schedule for in-patient and out-patient procedures. These fine tuning procedures have a high potential benefit for all patients.

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