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OECD and WHO survey of Switzerland's health system

Switzerland's health system meets the important goals of good health outcomes and universal health coverage, but these successes come at a high financial cost. The OECD and the WHO, in a new report on the Swiss health system, praise the quality of the system and make recommendations to control its high spending.

The Swiss healthcare system compares well with other OECD countries. It has universal health-insurance coverage, permitting access to a broad range of modern medical services, and patients are largely satisfied with the health care they receive. However, spending on health as a share of Gross Domestic Product (GDP) is the second highest (after the U.S.) in the OECD area, while other OECD countries perform equally well, or even better, at lower cost.

Switzerland spent 11.5% of Gross Domestic Product (GDP) on health in 2003, against the OECD average of 8.8%. The cost has been increasing steadily in Switzerland, rising by 2.4% of GDP between 1990 and 2004, above the OECD average increase of 1.5%. These high levels of health spending, compared with other OECD countries, reflect both the generous supply and the high prices of the services provided.

Ageing populations, coupled with new healthcare technologies, suggest that health spending will continue to rise, creating concerns about the financial sustainability of the system. "Switzerland will have to develop more cost-effective policies if it wants to better control health expenditure in the future" said John Martin, Director of the Employment, Labour and Social Affairs Directorate, OECD.

While overall health expenditures are high, Switzerland devotes only 2.2% of its health spending to disease prevention and health promotion compared with an average of 2.7% for all OECD countries. "Investing in prevention and health promotion programmes would help Swiss health authorities focus on important public health issues such as tobacco and alcohol consumption and on areas in need of more attention such as mental health and obesity. This would promote health and prevent disease in the whole population, by actively targeting people at high risk." said Dr. Marc Danzon, WHO's Regional Director for Europe.

The report recommends measures to increase the cost-effectiveness of the Swiss health care system. Current payment arrangements to both doctors and hospitals – e.g. fee-for service or by number of bed days -- do not provide strong incentives to increase cost efficiency and the report recommends that new methods of paying for health care should be considered. A system of payment on the basis of fixed prices per pathology for inpatient care would promote greater efficiency in provision and shorter hospital stays. More reliance on gatekeeper or family doctors arrangements and less on fee-for-service payment arrangements could also be considered in primary care.

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If the Swiss authorities plan to control costs through competitive markets they should limit the possibilities of insurers to select insurees on the basis of their health risk. Insurers should contract with providers on the basis of quality. People buying health insurance should shop for the best coverage at the lowest premium. Increased competition in the market for nonpatented drugs (such as generics) would also help reduce prices for pharmaceuticals. Competition in both insurance and the provision of health care services should cross canton boundaries.

Though financing through insurance premia remains regressive and out-of-pocket payments are high in Switzerland relative to most other OECD countries, the existing premium subsidies and cost-sharing exemptions do ensure that vulnerable groups have good access to healthcare. However, there are large cross-canton differences in subsidy levels and eligibility conditions and the report recommends setting minimum national standards.

Finally, longer-term gains in performance will require changing health-system governance. Despite its small size and population, the Swiss health system is made up of twenty-six semiautonomous health systems, making it difficult to develop consistent national policies and competitive markets for health-care insurance, health care services and drugs.

The report recommends an overarching framework law for health which would include existing legislation on health insurance, future policies on prevention, gathering national health data, and oversight of health-system performance. This would also set out national objectives and funding responsibilities and ensure that health insurance and supply are available on a broader geographical basis.

For further information or to obtain a copy of the report, the journalists should contact the OECD's Media Division (<mailto:news.contact@oecd.org> or tel. 33 1 45 24 97 00).

OECD Reviews of Health System Switzerland can be purchased in paper or electronic form through the OECD's [Online Bookshop](#). Subscribers and readers at subscribing institutions can access the online version via [SourceOECD](#).