Evaluation of mechanisms driving or limiting the number of surgical procedures

Federal Office of Public Health

Key facts

Rising healthcare costs are a major source of concern for the population and the world of politics. Between 2013 and 2018, annual expenses increased by 3% on average, to over CHF 80 billion. The Federal Council has made multiple interventions in health insurance in order to keep this trend under control. According to a group of experts commissioned by the Federal Department of Home Affairs (FDHA), there is potential for savings of around 20% in expenses.[1]

The Swiss Federal Audit Office (SFAO) audited whether the medical services reimbursed by the health insurance were effective, appropriate and economically efficient (EAE legal criteria). In other words, whether there are financial incentives to provide services beyond what is necessary, and whether these incentives are properly controlled. For this purpose, the SFAO examined three surgical procedures: elective angioplasty (stent insertion), prostate ablation and kyphoplasty/vertebroplasty in the case of spinal compression fractures. In 2017, these procedures cost around CHF 250 million and involved nearly 20,000 patients.

In the context of this audit, the SFAO is issuing eight recommendations to the Federal Office of Public Health. They are aimed at raising awareness of problematic surgical procedures and tightening the rules in the catalogue defining the treatments that are not reimbursed by the Federal Health Insurance Act (HIA) collective institution. The treatment catalogue is still the best way for the Confederation to regulate the use of surgical procedures that do not meet the EAE criteria. Finally, the SFAO deplores the lack of studies on the effects of the different incentive mechanisms in this area.

Significant financial incentives with largely unknown effects

There are financial incentives in the health insurance system. The greatest incentive arises out of the link between payments to doctors and the revenue from treating patients with supplementary health insurance. The SFAO discovered a payment that was four times higher in the case of a radical prostatectomy performed on a private patient. In the event of a non-essential procedure triggered by a higher private payment, the basic insurance is also impacted, because it reimburses more than half of the amount set by the legally allowed tariff.

In a free market system, all hospitals must achieve beneficial margins, thereby securing their investments. Moreover, private hospitals must guarantee their owners' income, hence the much higher financial targets compared to the public sector. These strategies put doctors under indirect economic pressure. Thus, financial factors clearly influence how angioplasties are dealt with, with patients on basic health insurance being encouraged to have the operation as out-patients, while private patients are admitted as in-patients.

[1] Federal Department of Home Affairs (2017), Measures aimed at slowing the rising costs of mandatory health insurance.

The Federal Council recently decided to take action against this kind of financial incentive. It intends to tackle via ordinance, withdrawing contracts from hospitals with inappropriate financial incentives by 2025. This first important step still needs to be defined in detail.

Incomprehensible price differences for general-purpose materials and implants

The SFAO found that the same stent (angioplasty) could be invoiced to the HIA collective institution for between CHF 1,200 and CHF 3,500, with a complete lack of clarity. However, the amount at stake is several tens of thousands of Swiss francs.

As regards out-patient services, providers have no incentive to negotiate reasonable prices, as they can pass on the purchase price to the health insurance. The price ombudsman's recommendation to use parallel imports seems to have found little uptake. In the SFAO's opinion, there is a lack of transparency in this area.

No checking of indications by institutions

The treatment catalogue provides the Confederation with a tool for limiting the HIA collective institution's assumption of the costs for some treatments that do not meet the EAE criteria. This tool currently plays only a marginal role, as it covers only a very limited number of surgical procedures. Moreover, insurers struggle to check compliance with certain restrictions, which in practice reduces the scope of this tool even further.

Insurers are supposed to check that the individual treatments invoiced to the HIA collective institution meet the conditions set by law. However, they are not really in a position to verify the appropriateness of medical indications. Their checks are mainly centred around the compliance of treatment invoices.

The cantons set out processes for hospitals, often in great detail, aimed at ensuring the quality of medical services. By contrast, they pay little attention to checking the medical necessity of treatments in specific cases.

Self-regulation, lack of equity in the scope of measures

Quality control of medical indications takes place at the level of providers, doctors and hospitals. All the hospitals with salaried doctors visited by the SFAO know the decision-making processes when defining the indications. More often than not, these processes are drawn up at the initiative of the doctors. They differ widely between institutions and are not always binding. It is more rare to find them in clinics, where the indications are generally based on one doctor's assessment.

Medical companies therefore also play an essential role in harmonising medical practices. They draw up and disseminate recommendations. If these recommendations are high-quality, well established and widely followed by the specialist community, they can achieve a clear reduction in the variability of medical practices. This is the conclusion drawn by the SFAO from this audit.

The quality of the information received by the patient when choosing a treatment is key, because the decision ultimately lies with them. Patient feedback shows a fairly positive situation, but also highlights their reliance on the doctor. A second medical opinion would thus appear to be a judicious way of validating choices. Unfortunately, there is no information on how often second opinions are sought, their details and their effects.

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