Audit of process efficiency in the handling of recourse claims
Federal Social Insurance Office

Key facts

In Switzerland, there is a standard procedure for social insurance funds to claim damages from the party liable in the event of disability or death. Old-age and survivors' insurance (AHV) and disability insurance (IV) recourse claims against liable third parties are handled by eight regional recourse services, Suva and the Federal Social Insurance Office (FSIO), with the cooperation of the compensation funds and the IV offices.

Almost 6,000 recourse cases were reported in fiscal 2020. The eight recourse services and that of the FSIO managed to generate recourse revenue totalling CHF 42.5 million.

The eRegress project was launched by the FSIO in 2017. Right from the start, planning errors and budget constraints have led to reductions in the scope of the system. The FSIO plans to replace the case management system at the beginning of 2022 with a new recourse system which is a minimal viable product (MVP). Originally, it was planned to replace all the above-mentioned recourse services with eRegress in two stages: first with an MVP, then with a web solution. In August 2021, the FSIO decided to forego the latter altogether and no longer offer the MVP just as an interim solution, but rather as a longer-term solution for the recourse services.

According to the FSIO, the budget amounts to around CHF 3.6 million for the development and maintenance of the MVP.

The planned new recourse system represents a step forward in digitalisation, despite its reduced scope. The project management identified all potential clients, partners, products and services. The stakeholders were allocated to segments by the FSIO, which responded to the needs of the users by means of agile project methods.

The potential for increasing efficiency is not yet fully exploited

In order to assess the extent to which the objectives of the digital transformation strategy have been achieved, the FSIO must define key performance indicators (KPIs) and measure them regularly. The FSIO has neither defined success criteria from the client and user perspective nor KPIs in relation to the recourse processes.

The training concept shows that basic IT knowledge is lacking in the recourse services and employees need to be trained. The training materials still need to be completed.

The FSIO failed to sufficiently consider the potential offered by processing large amounts of data with the help of analytical procedures and artificial intelligence. These could increase the efficiency and effectiveness of the recourse services in client care and in the management of cases in the future.

High-risk dependency

Due to the project team's size, the FSIO is dependent on external support, especially for the development of the application and its interfaces. The FSIO has become dependent on the external supplier and should therefore consider strengthening its autonomy, while taking into account matters of cost-effectiveness.

The accumulation of roles by one key person does not ensure independence in risk management and quality assurance. Consequently, the FSIO should adapt the project governance to ensure that these important functions are independent. The operational concept is well on track.

The framework conditions hamper digitalisation

Financial misjudgements were made in terms of both detailed planning and budgeting. This led to budget overruns and the scope of the project had to be changed several times. A future introduction of the web solution must be preceded by a careful cost and effort assessment.

The structured data elements contained in the exchange, as well as the metadata supplied, are expandable. The FSIO should continue its efforts to improve the exchange of data between the recourse participants involved and thus to advance automation both for the recipients and in the overall context.

The recourse services are autonomous when it comes to choosing their information systems; the lack of a legal framework prevents the FSIO from imposing standard systems. The office should consider amending this framework.

Original text in German