

Implementation of the recommendations – Processing and checking of invoices for OASI and DI individual benefits

Central Compensation Office and Federal Social Insurance Office

Key facts

The Swiss Federal Audit Office (SFAO) followed up on the recommendations it made in its report on the processing and checking of invoices for individual benefits for old-age and survivors' insurance (OASI) and disability insurance (DI)¹. These invoices cover medical measures, vocational education, assistive devices and transport costs. They represent a financial volume of around CHF 2.4 billion a year. The Federal Social Insurance Office (FSIO) defines the general principles and exercises a supervisory function. The DI offices and the Central Compensation Office (CCO) share the implementation tasks, i.e. the processing and checking of invoices.

In 2017, the SFAO noted a delay in the digitalisation of invoice processing. Around 70% of invoices were issued in paper form. There were duplications in the checks by the DI offices and the CCO. Improved efficiency would result in savings of CHF 3 million for the CCO alone. The SFAO made seven recommendations, one of which has already been followed up with positive results.

Willingness to improve the situation

The FSIO and the CCO have introduced measures to improve the situation. The FSIO has thoroughly revised the circular on the payment of individual benefits. The approach adopted no longer makes a distinction between electronic and paper invoices. It clarifies the roles of the DI offices and the CCO. At the supervisory level, the FSIO examined this invoice handling process during its audits of the DI offices in 2020.

The CCO and the DI offices completed a project on optimising the invoicing and payment process. Among the main results, the implementing bodies signed a cooperation agreement and defined areas for future developments to automate the control processes. Invoice processing time has been reduced (from 90 to 26 days on average in 2019).

The SFAO noted progress in the division of responsibilities thanks to a redefinition of roles. The FSIO now focuses on strategic and supervisory issues, and the implementing bodies focus on operational aspects. This improves coherence. The activities of the working groups were also reviewed; these work more on the basis of concrete objectives.

IT application modernised, but targeting of checks needs to be improved

The CCO has upgraded the SUMEX computer application for processing and checking invoices. It is used for its basic functions and has become more stable. It can be updated

¹ The report for audit mandate 14490 is available on the SFAO website (www.sfao.admin.ch).

regularly. The CCO conducted a market study to see if there are alternatives in terms of computer applications. The results of the study, which was carried out by an external consultant, show that SUMEX is the best solution for the CCO's needs.

The CCO has a full package of SUMEX options, with online data entry and optical recognition systems for the paper invoices it receives. It has recently acquired additional modules for SUMEX. These are intended to enable it to carry out statistical analyses of hospital invoices and identify suspected fraud using data analysis. It has added a module to define specific screening rules to target invoices for checking.

However, these new modules are not yet used systematically. The introduction of specific criteria for screening invoices is an essential element for increasing efficiency in automation and control. This requires a regular exchange of experience between the sections concerned.

Electronic invoicing on the rise, continued duplication of paper invoice checks

The CCO processed a total of 1.7 million invoices in 2019. The share of electronic invoices is steadily increasing, from 30% in 2017 to 50% in 2020. The DI bodies encourage electronic invoicing. They have made simple and inexpensive solutions available to small providers. They are developing a system so that insured individuals can enter their costs directly online. Further digitalisation leading to an 85% electronic invoice rate is an objective for 2025.

Although the new FSIO circular and tools for paperless invoicing are available, there is still duplication in the checking of paper invoices between the DI offices and the CCO. The FSIO noted this during its supervisory activities in 2020.

Recommendations implemented to a good degree, but digitalised and automated process not expected until 2025

The SFAO considers that progress has been made. Four recommendations have been fully implemented, and three others partially. The DI bodies have the necessary framework and tools. However, it is still too early to judge whether the effectiveness of the controls has improved. Developments are ongoing and it is difficult to assess the results of the directions taken. The reduction of paper invoices, improved targeting of invoices to be checked, better data analysis and the reorganisation of the section dedicated to the CCO are some of the projects underway. It will not be until 2025 that it will be possible to assess how far the efficiency of the checks has been improved through digitalisation and automation.

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