

AUDIT

Audit of processes to ensure that the medical tariff system reflects reality

Federal Office of Public Health

KEY FACTS

Annual total expenditure of the compulsory health insurance system amounts to CHF 40 billion. In Switzerland, the amount that a medical practice or hospital is allowed to invoice the compulsory health insurance system for a specific service is regulated. Under the Health Insurance Act (HIA), service providers and health insurers negotiate the remuneration together, record it contractually in tariff structures and get it approved by the authorities. One exception to this is the so-called official tariffs: for medication, laboratory analyses and aids, the relevant responsible office or department determines the remuneration.

Similar processes are encountered outside the compulsory health insurance in other areas where tariffs are applied, such as accident or disability insurance. In total, there are over 30 different tariff structures. Under the HIA, tariffs may cover no more than the effective and necessary costs for the efficient provision of services. This is a key requirement, which is referred to in this report as "reflecting reality". For this purpose, tariffs must be regularly reviewed and adjusted to current circumstances.

Using selected tariffs, the SFAO examined the processes in the area of compulsory health insurance which are intended to ensure that costs reflect reality. The aim of the audit was to assess whether the Confederation is appropriately equipped to ensure that costs in compulsory health insurance reflect reality, and whether it actually uses its powers. The audit revealed that, for outpatient care, there are no binding mechanisms for reviewing tariff structures. The Confederation can only exert a limited influence. The HIA allows the contracting parties a great deal of freedom. This need not be a problem per se, so long as both sides are interested in finding a solution. Yet, different interests often lead to delays or even blockages. This can result in services being remunerated at excessive prices: for example, the treatment time needed may have been significantly reduced by technical progress since the tariff structure was introduced. The SFAO found that the Confederation has exerted more influence in recent years, but it has not yet fully exploited its powers to ensure that costs reflect reality.

To date, no reliable processes in outpatient care

The data on which many tariff structures are based has not been updated since the HIA entered into force in 1996. According to the principles of tariff-setting imposed by the Federal Council, the contracting parties have to regularly review and adjust the tariffs if costs no longer reflect reality. Moreover, the FOPH has to be informed about the results of the review, which does not happen in practice. The HIA has imposed stricter conditions on the contracting parties – also called tariff partners – since 2024. It requires them to monitor amounts, volumes and costs. This monitoring is aimed at ensuring that, in future, significant developments rapidly give rise to a review. On the other hand, if these variables remain unchanged, an outdated or no longer realistic tariff structure may continue to prevail without ever being reviewed. A comprehensive periodic review, as provided for in legislation, is thus not yet guaranteed.

If an adjustment to the tariff structure is needed, the tariff partners launch negotiations about the impending revision. Delays have occurred at various times over the last few decades because the tariff partners were unable to agree on how to tackle the revision. Negotiations often dragged on for years, weighing on the resources of all involved. There is huge potential for conflict in the data to be collected. There is virtually no indication of structured procedures. From the perspective of the health insurers, the tariff partners would ideally agree on the key parameters at the start. Yet, at that time, the service providers were often already collecting data, without having agreed with the insurers about the collection method beforehand.

The SFAO also notes, however, that in the best case the tariff structures are based on current data, while also always reflecting the result of negotiations. In addition, many service providers can invoice services via other social security arrangements, such as accident insurance. Here, they tend to be able to negotiate more advantageous tariff structures, i.e. a higher remuneration for the same service item. As a result, there is an incentive for service providers to first contact the accident insurance representatives before negotiating the structure according to the HIA. Such tactics may further delay tariff revisions in the areas covered by the HIA.

Coordination works better in the case of the tariff structures for inpatient treatment. Responsibility for reviewing them was transferred by law to SwissDRG AG, founded in 2008. Parliament discussed a similar model for outpatient care, but initially limited this to medical services. In 2022, another company was established, OAAT AG, which was modelled on SwissDRG AG. Its aim is to manage the successor solution for the outdated TARMED medical tariff. Even if many open questions remain as regards implementation, the SFAO considers the use of such tariff organisations in outpatient care to be an opportunity for efficient tariff-setting – for both medical and non-medical services.

Despite limited options for exerting influence, the Confederation could use its powers better

In addition to using national tariff organisations, the FOPH could inform the tariff partners more clearly about the criteria it uses for the approval process, especially the data collection requirements. In the last few years, it worked with them more closely during revisions, in order that questions could already be dealt with during the negotiations. Small organisations, in particular, may benefit from having clear indications. However, the FOPH can only impose binding requirements during the approval procedure. Moreover, the FOPH should require a periodic review of all tariff structures within its remit.

The Federal Council has more options at its disposal. It can adjust an outdated tariff structure if the tariff partners cannot agree on a revision. For this purpose, since 2023 it has been able to demand comprehensive data from the tariff partners. In the past, the Federal Council has intervened twice in the tariff for TARMED outpatient medical services. In 2023, it also launched a price-setting procedure for physiotherapy, which it later withdrew in 2024 on the condition that the tariff partners submit a proposal by May 2025. The FOPH was also granted additional powers to access data in the area of tariff-setting in 2023. However, as yet there is no concrete implementation concept detailing how the FOPH can use these new powers to ensure that tariff structures reflect reality. These should be addressed as part of higher-level initiatives to improve the evaluation of data in the healthcare sector.

Negotiated tariffs are no guarantee of better tariff-setting than official tariffs

The SFAO found no indication that negotiated tariffs permit better tariff-setting than official tariffs. However, a comparison with official tariffs reveals that, in this area, the new powers for accessing data do not apply. Although the Confederation sets these tariff structures itself, it has very little leverage vis-à-vis the service providers. In order to achieve an appropriate tariff structure that reflects reality, it is reliant on the service providers' cooperation. The example of laboratory analyses shows that insufficient attention was paid to the tariff structure in the past. The transAL comprehensive revision project, which started in 2017 and is still running, has taken a long time but holds out the prospect of improvement in some respects. When the law is next revised, the Federal Department of Home Affairs could ask for greater powers with respect to official tariffs as well, to enable it to demand the necessary data from service providers.