

# Swiss reject switch from private to state health insurance

September 28 2014, by Jonathan Fowler

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Swiss voters on Sunday rejected a plan for a seismic shift from the country's all-private health insurance system to a state-run scheme.

Referendum results showed that almost 62 percent of voters had shot down a reform pushed by left-leaning parties which say the current private system is busting the budgets of ordinary residents.

hotly-contested issue as the country's German-speaking regions voted against the plan, while their French-speaking counterparts were in favour.

Switzerland's private insurance lobby hailed the vote.

"The Swiss population does not want a single national scheme," said the Swiss Insurance Association.

"Our health system is among the top performers in the world. Competition between health insurers and freedom of choice for clients play a major role in this," it added.

Going public would have been a major shift for a country whose health system is often hailed abroad as a paragon of efficiency, but is a growing source of frustration at home because of soaring costs.

"Over the past 20 years in Switzerland, health costs have grown 80 percent and insurance premiums 125 percent," ophthalmologist Michel

Matter told AFP.

"This is not possible anymore. It has to change," said Matter, who heads the Geneva Physicians Association, which backed calls to scrap the current system.

Campaigners for the state-held insurance scheme insist it is the only way to rein in rising premiums and guarantee efficiency and transparency.

The referendum came after reformers mustered more than the 100,000 signatures required to hold a popular vote, a regular feature of Swiss direct democracy.

The rejection of the plan by nearly two-thirds of voters is a major blow for pro-reform campaigners, given that opinion polls had shown the 'No' vote was likely to be around 54 percent.

In a 2007 referendum, 71 percent of voters rejected similar reforms.

The current system, used as a model for US President Barack Obama's controversial healthcare reform, requires that every resident in the wealthy nation of eight million hold basic health insurance and offers freedom of choice among the 61 companies competing for customers.

## **Debt-free system**

In a country where the average monthly net salary is 4,950 Swiss francs (4,100 euros, \$5,268), health premiums are around 400 francs monthly per adult.

That does not include out-of-pocket spending on treatments such as dental care which are not covered by basic insurance.

Premiums vary by insurer, age and region of residence, and clients can cut them by opting for an annual deductible—a sum they pay from their own pockets—of up to 2,500 francs.

Figures issued by the insurance industry last week showed that premiums would rise by four percent in 2015, far ahead of overall consumer price inflation.

Critics say the current system is unfair because basic coverage costs a millionaire no more than it does a low-paid worker.

Studies show that almost one-fifth of those on low incomes have skipped at least one monthly payment in a country where rents and retail prices are among Europe's highest.

Reformers also claim that insurers have too much political clout, with research showing that 14 percent of lawmakers have links to health firms or the sector's lobby groups.

But for Switzerland's cross-party government and its right- and centre-dominated parliament, the current system has proven its mettle and is debt-free, unlike the health services of France, Italy or Britain.

Supporters of the status quo argue that higher premiums are inevitable given an ageing population and costly cutting-edge medical care, and say shifting to a public system would generate few savings.

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