

Health insurance between FOPH and FINMA

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Swiss health insurance is divided between two systems with different supervisors. Compulsory basic health insurance under the Federal Health Insurance Act of 1994 is provided by health insurers authorised by the Federal Office of Public Health (FOPH), which supervises them under the Health Insurance Supervision Act (KVAG) of 26 September 2014, in force since 1 January 2016.¹ Basic health insurance is a social insurance in which the insurers may not make profits, must accept all applicants and must charge uniform premiums within regions and age groups. Its solvency is measured by a health insurance solvency test, which is based on the principles of the SST but adapted to the specific features of social health insurance.

Supplementary health insurance, which covers benefits beyond the compulsory basic insurance, such as private or semi-private hospital wards, is a private insurance under the VVG. It is supervised by FINMA under the VAG.² Most health insurance groups therefore operate separate legal entities for the two businesses. FINMA retains preventive control of tariffs in supplementary health insurance, in order to protect older policyholders, who cannot switch insurer easily, against excessive premiums. Since 2020, FINMA has also examined the invoicing of hospitals and doctors for supplementary insurance, having found that many services were invoiced without being transparent or justified.³

The KVAG was adopted after debates on the transparency of the health insurers' reserves and on the cross-subsidisation between basic and supplementary insurance. The separation of supervisors has been criticised as inefficient, while its defenders point to the fundamentally different nature of the two businesses.⁴ For Basel, with its concentration of hospitals, pharmaceutical companies and health-related research, the health insurance system is an important element of the regional economy, which Part D described in its historical development.

1 Notes

1. Federal Act of 26 September 2014 on the Supervision of Social Health Insurance (KVAG, SR 832.12), in force since 1 January 2016; Federal Health Insurance Act of 18 March 1994 (KVG, SR 832.10). To be verified. ↩
2. On the supervision of supplementary health insurance (Zusatzversicherungen) by FINMA under the VAG and the preventive approval of tariffs under Art. 38 VAG, see FINMA's supervisory practice and its communications on supplementary hospital insurance. To be verified. ↩
3. FINMA communications from 2020 onwards on the lack of transparency of invoices in supplementary hospital insurance and its requirements for new contracts between health insurers and service providers. To be verified. ↩
4. On the debate leading to the KVAG and the separation of supervision between FOPH and FINMA, see the Federal Council dispatch of 15 February 2012 on the KVAG (BBl 2012 1941). To be verified. ↩

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