

The Swiss Healthcare System a Model for the U.S.?: Even the Swiss Are Growing Dissatisfied with Private Insurance!

The Swiss health insurance system, which mandates every individual to buy private health insurance, has been held up by many as a realistic model for the United States. In Switzerland, however, private insurers are far more highly regulated than is conceivable to imagine in the U.S. for example, they are not allowed to make profit on “basic” coverage. Yet even so, as my friend Dennis Clagett who lives in Switzerland has written to me, popular dissatisfaction with the country’s healthcare system is mounting due to the way that the private insurers have behaved. Let me quote briefly from his latest letter (I’ve edited it slightly for clarity for a U.S. audience).

MESSAGE FROM DENNIS CLAGETT:

...new life has been breathed into the move for a “caisse unique” – which, if I understand the U.S. debate correctly, is essentially the same thing as the “single payer option.” At the end of 2009, the rise in insurance premiums announced for 2010 was so outrageous and was so lacking in justification – due especially to the total lack of transparency in the financing of these systems by the insurers – that the idea of placing the operation of the health insurance system in the hands of the public administration now has support from a much wider swathe of the political system. Keep in mind that health insurance here is obligatory, leading people to feel increasingly that they

are being held hostage to private industry for what is essentially a publicly mandated system.

Moreover, the current Swiss model (i.e. multiple private insurance providers) is not a good option for the vastly larger and less regulated U.S. system. Switzerland has a population of only 7.5 million, and the rules under which the private system functions here (rules governing what categories of care must be covered, freedom to choose one's physicians, limits to the "reserves" that can be placed on care due to past conditions, etc.) are much stricter and function under the threat of initiatives and other direct means of controlling the policies determining day-to-day operations. And even so, people are outraged by the leeway these companies enjoy.

It looks as if proposals for a new "single fund" initiative may start circulating by the end of this year. If the initiative looks like it can garner sufficient support (i.e. enough signatures to be accepted for vote – 100,000 in 18 months) and will enjoy broad popular support, a compromise solution may be elaborated in the parliament, thus avoiding the need for a vote. Either way, a public campaign around this issue is likely over the next year....