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Changing health insurance can be worth it!

Dear Sir or Madam,

In Switzerland, health insurance is a significant factor of one's living expenses. So how can you reduce costs? All public fees put together make up round about one third of the overall gross domestic product, and for each citizen, this is between 30 and 50%. This includes all taxes for both individuals and legal entities. The premium increases are sickening. Each year they go up a few percentage points, and considerably more than an employer compensates for inflationary adjustment. Health insurance premiums are going up between 4 and 6% on average next year. Young people in Zurich are facing a 19% increase. Insured persons and premium payers in German-speaking Switzerland are required to pay more in premiums than those in the west of Switzerland or in Ticino, where premium increases are relatively moderate. Across Switzerland, these increases show a rather uneven picture. On the one hand, there are reductions of up to 10%, on the other, increases of up to 25%.

Despite the moderate increases in the west of Switzerland and in Ticino, this year's premium increases exceed those from last year. In particular, people living in the cantons of Aargau, both Appenzeller half-cantons, Glarus, Lucerne, Nid- and Obwalden plus St. Gallen are facing higher premiums.

Alternative basic insurance plans are less strongly affected: in comparison to traditional health insurance plans; premiums for alternative models should show a smaller increase. When it comes to age categories, young adults in particular will be facing increased premiums, but also all insured persons with franchises between CHF 2'000 and CHF 2'500.

Reasons for hike in premium adjustments: They are many and various. According to statistics, increasing healthcare costs, caused not least by regulatory bureaucracy, and medical services underpinned by the health insurances, are behind it. Costs for medical practices have also gone through the roof, as they have taken a distinctively higher step up than hospital costs. Despite the new hospital financing scheme, the expected cost reductions have failed to materialise. Additionally it was quite noticeable that an increasing number of patients turned up at hospitals' accidents & emergency wards with minor ailments or injuries, thus contributing to the rise in costs. In the area of prices for drugs and medication, no adjustments to reflect lower prices abroad were made. An increasing number of medications covered by the health insurances also lead to an increase in the overall cost. This also applies to devices like hearing and walking aids.

As long as these developments continue, anyone insured needs to be aware that costs might continue to rise – especially as health insurances are having more and more trouble absorbing premium fluctuations, according to the Health Insurance Oversight Act.

Among the cost drivers of the health care sector are:

- lack of individual responsibility borne by the patient
- unlimited access to medication
- medical progress
- increasing life expectancy
- increasing service obligation by the health insurances in the field of basic insurance plans
- willingness to pay maximum prices for high-quality offers

For these reasons expenses will continue to rise, each year, and for a rather long time. The political consensus is that the very best of medical services should be available to all. As this cannot be financed for an ever-growing part of the population, apportionment procedure is increasingly applied. This works well as long as economic growth offers plenty of options to avoid restrictions in other parts of the consumer sector. Both economic growth and medical progress form a vitally important partnership for everybody.

What to do?

A periodical review of health insurance is a must. Based on obligatory services in the basic insurance, a comparison is necessary. If you have a supplementary insurance you have additional choices. The compulsory insurance together with supplementary additional voluntary health insurance can quickly absorb between a fifth and a quarter of your income. A good choice considerably helps reduce costs. With the basic insurance a change of health insurance is possible without restrictions every year.

If you want to fight back against the permanent premium increases by the health insurers, then you should look for other options and a more cost-effective solution. If you find an appealing health insurance offering good value for money then you should now give notice in time for 30th November, and set everything in motion for next years' coverage. However, it is a fact that health insurers publish the new tariffs for the basic insurance effectively on a day when the notice period for any supplementary insurance has already elapsed some time ago. For this reason, it is vitally important that you react as early as possible and avoid putting anything off. Under certain circumstances, you can save a lot of money by changing health insurance.

Suggestion: Check your health insurance

Suggestion: Check whether you can get a premium reduction. Around 50% of all those insured are eligible to premium reductions!

Kind regards

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