

Press release of 12 September 2024

The remuneration of healthcare services: quality over quantity

A new model from the University of Lucerne, using data from a pilot project run by Groupe Mutuel and the University Hospital Basel, shows how healthcare services can be remunerated according to their quality. Cost-neutral pricing is based on a bonus financed by savings of CHF 1.7 to 8.5 million a year (extrapolated to Switzerland). The joint project, based on the principles of "Value-based Healthcare", is now entering its second phase with new partners such as the Luzerner Kantonsspital.

Value-based Healthcare (VBHC) places patients and their wishes, ideas and preferences at the centre of healthcare provision. Since 2021, the University Hospital Basel and Hôpital de La Tour have been running a pilot project with Groupe Mutuel to demonstrate how VBHC can be introduced into the Swiss healthcare system and reflected in pricing.

As part of the "Pay for Patient Value" project, a remuneration model has been developed for medical services in line with the VBHC approach, which is based on the quality of services rather than their quantity. Researchers at the centre of excellence for Health Data Science at the University of Lucerne have created a corresponding model using anonymised project data relating to hip and knee replacement operations.

Rewarding quality in the remuneration system

The new remuneration model is based on a quality bonus measured by the number of readmissions (readmission rate), repeat surgeries and PROMs (*patient-reported outcome* measures). The cost neutral model finances the bonus from the savings made by reducing complications and improving patients' health outcomes. In Switzerland, a hip replacement costs an average of CHF 18,000. In the event of complications, this figure can rise to an average of CHF 37,500 in hospitalisation costs per case. Extrapolated to Switzerland as a whole, improving quality would enable savings of between CHF 1.7 and 8.5 million a year.

The bonus payment is divided into two components. The first component of the model retroactively rewards hospitals with a low rate of repeat surgery and unplanned readmissions. The second and more innovative component of the model rewards hospitals that first collect and make available PROM data and then achieve above-average PROM results.

"The pricing model shows that the Swiss healthcare system can operate according to the VBHC principles. We now need to change our point of view and move from quantity to quality, with the aim of placing the patient more at the centre of the process", said Daniel Volken, Head of the General Secretariat of Groupe Mutuel.

"We attach great importance to innovation and are proud to be part of a project that aims to rethink healthcare payment systems in Switzerland by improving the quality of patient-centred care through the use of PROMs", explained Florian Rüter, Head of Quality Management and VBHC at the University Hospital Basel (USB).

The project is set to expand

Following the success of the pilot project, it is now entering a second phase. Alongside the Luzerner Kantonsspital (LUKS), other partners are taking part in the project. They are contributing their expertise in value-based medicine by using PROMs in the joint project, enabling the work already carried out to be continued at a high level of quality.

"Our priority is patient benefit. One of our strategic objectives is to establish patient experience-based quality indicators (PROMs/PREMs) so that we can provide high-quality services. The project supports these efforts and represents an innovative approach to rewarding quality rather than quantity", said Professor Katrin Hoffmann, Chief Medical Officer of the Luzerner Kantonsspital (LUKS).

"In orthopaedics and trauma surgery, our aim is to improve our patients' quality of life in the long term. To achieve this, we are relying more and more on patient feedback through PROMs. This project will make an important contribution to representing and implementing this attitude in an even stronger way", added PD Dr Björn-Christian Link, Clinic Director and Chief Physician, Clinic for Orthopaedics and Trauma Surgery at the Luzerner Kantonspital (LUKS).

The second phase of the project will involve defining the broad outlines and a pricing structure for the entire care pathway for hip and knee replacements (including pre- and post-operative services) and making the model operational with a view to its introduction into the Swiss healthcare system.



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About Groupe Mutuel

With over 2,800 employees across Switzerland, Groupe Mutuel serves more than 1.4 million individual customers and over 29,500 companies. As the only multiline insurer in Switzerland, Groupe Mutuel is the reference partner in the field of health and retirement benefits for private and corporate customers. Its turnover exceeds CHF 5.8 billion. Thanks to tailored solutions, whether in basic insurance (LAMal/KVG) or supplemental insurance (LCA/VVG), it is the third largest health insurer in Switzerland. Groupe Mutuel also offers an extensive range of products in individual retirement benefits and patrimony insurance. Based in Martigny, the insurer provides companies of all sizes with solutions for loss of earnings in the event of illness, accident insurance (LAA/UVG) and occupational pension plans (LPP/BVG). In the field of corporate health insurance, Groupe Mutuel is ranked fifth nationwide.

About the University Hospital Basel

The University Hospital Basel (USB) is the healthcare system's hub for north-west Switzerland. Our patients are the focus of our activities. Our doctors, nurses and therapists work together to improve people's lives based on the latest scientific findings and with state-of-the-art medical equipment. Around 8,000 excellently trained employees provide a wide range of services, from basic healthcare to highly specialised medicine, around the clock, 365 days a year. The University Hospital Basel is one of the leading medical centres in Switzerland with high and internationally recognised standard and treats around 42,000 inpatients every year. In addition, the hospital has more than one million outpatient contacts, as well as excellent research in almost all areas of medical science. University Hospital Basel has been a top-ranked international hospital for many years. It is currently ranked 15th out of the top 250 international hospitals by Newsweek magazine, and 3rd in the Swiss hospital landscape.