



Proposal to increase government influence on the healthcare system in Liechtenstein

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The Liechtenstein government has submitted a proposal to the parliament to amend the current healthcare act (Gesetz über die Krankenversicherung, KVG). The proposal aims to increase government influence on the tariffs to be applied by physicians who have a contract with the compulsory health insurance and on the engagement of these contractual physicians. Thereby, the government seeks to enhance basic medical care provision.

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Description

Every resident of Liechtenstein must take out basic health insurance with an officially recognised insurance company. Physicians who have a contract with the compulsory health insurance (OKP-Verträge) agree to a certain tariff system. This includes direct billing from the physicians to the health insurance company, giving the patient and the physicians a guarantee that costs up to the level of the official tariff are covered by the insurance. Premium payers and the government fund the costs. Such a contract does not mean that the physicians are only allowed to work for the health insurance company. It leaves them free to also offer healthcare services on a private basis.

However, due to persistent issues with the system, in 2015 the parliament approved a revision of the healthcare act (Gesetz über die Krankenversicherung, KVG), to change the tariff system and to create more transparency in billing, in order to keep the steadily increasing healthcare costs under control. This led to an intensive discussion between the medical association (Liechtensteinische Ärztekammer) and the government, and finally to a referendum in 2016. Liechtenstein's electorate supported the revision and the new regulations entered into force on 1 January 2017.

The medical association did not consider the new regulations to be appropriate. It recommended to its members that they cancel their contracts with the health insurance association (i.e. the association which groups together all officially recognised health insurance companies) in order to avoid billing under the new health insurance act. As nearly all contractual physicians in Liechtenstein followed the recommendation of the medical association, great uncertainty arose among the Liechtenstein population in relation to the coverage of costs by health insurance from the beginning of 2017. Since the contract cancellations by Liechtenstein physicians represented a breach of contract (the contractual notice period had not been respected), the government intervened in its role as supervisory authority. Thus, weeks of very controversial debates started.

Finally, a temporary compromise, which restored stability to the healthcare system, was found and the government worked out a proposal containing recommendations to amend the healthcare act. The amendment aims to give the government more influence on binding tariffs and on the taking on of contractual physicians. One key aspect will be the requirement for medical care planning in Liechtenstein, which will include defining a particular number of physicians per field of expertise, who can be taken on by the health insurance

regime. The new proposal includes the right for the government to take a final decision on needs planning if the commissioned associations (the medical association and the health insurance association) do not produce a common proposal (subsidiary decision-making competence of the government). Furthermore, contractual agreements between physicians and the health insurance association – under governmental supervision – will have to include a detailed description of the responsibilities and the specific task(s) of the contractual physicians. Existing contracts will need to be adapted to the healthcare act amendment by the end of 2017. The proposed regulation sets out clearly that any physician without a contractual agreement with the healthcare insurance can only practice in a direct contractual relationship with the patient her/himself (private patient system). Based on the governmental resolution of 22 August 2017, the Liechtenstein government submitted the proposal to parliament, for amendment of the current healthcare act.

Outlook & commentary

From the point of view of the government, better performance management seems necessary, as well as an effective information system, a well-functioning governance structure, and accurate financial management to cope with the increasing healthcare costs and the demand for comprehensive services.

The health insurance association responded to the government proposal very positively. They

support the principle of subsidiary decision competence for the government and the new tariff structure, as the proposed measures will help to simplify the procedure for processing benefits with the insurers. The health insurance association also asked for more legal clarity as to the three new categories of medical care providers, and suggested that these should be defined as follows:

- medical care providers with contracts (*OKP-Verträge*);
- medical care providers without contracts but working voluntarily under terms/conditions of the *OKP-Verträge*;
- medical care providers who dispense services based on *OKP-Verträge*.

During the consultation process, the medical association did not agree to the proposed subsidiary decision competence for the government. They suggested that an agreement process between the two associations involved would be sufficient for requirements planning. Furthermore, they criticised the new tariff structure, as it would change the current system for recording and charging for medical care services provided by physicians. They argued that physicians are being forced to accept the new tariff in order to keep their patients.

From the author's point of view, a controversial discussion can be expected in Parliament, as the opinions of the parties involved, even within the government, are clearly divided. The adoption of the proposal by the Parliament is not expected before October 2017.

Further reading

Healthcare Act (Gesetz über die Krankenversicherung, KVG):
https://www.gesetze.li/lilexprod/lq_systpage2.jsp?formname=showlaw&lglbid=1971050000&version=14&search_text=KVG&search_loc=abk_list&sel_lawtype=conso&compl_list=1&rechts_gebiet=0&menu=0&tablesel=0&observe_date=30.08.2017

Proposal of the Liechtenstein government regarding recommendations to amend the current Healthcare Act:
<http://bua.gmg.biz/BuA/default.aspx?nr=55&year=2017&content=646923783&erweitert=true>

Cancellation of contracts (OKP-Verträge):
<http://www.vaterland.li/liechtenstein/politik/Alle-AErzte-kuendigen-OKP-Vertraege;art169,241280>

Official statement of the health insurance association:
<http://www.llv.li/files/srk/vnb-kvg-liechtensteinischer-krankenkassenverband.pdf>

Official statement of the medical association:
<http://www.llv.li/files/srk/vnb-kvg-liechtensteinische-arztekammer.pdf>

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