

QUESTIONS AND ANSWERS ON THE TOPIC OF RENEWAL OF CONTRACTS WITH HOSPITALS.

RENEWAL OF CONTRACTS WITH HOSPITALS

Do Finma's requirements for supplementary insurance apply to SWICA as well?

Yes, the requirements apply across the industry, i.e. to all insurers offering hospitalisation insurance.

How does SWICA intend to proceed?

SWICA will negotiate new contracts with the hospitals and introduce enhanced invoice verification, monitoring and cost forecasts.

What is the aim of the new contracts?

SWICA will agree the scope of services and the prices in the new contracts with the hospitals in a fair and equitable manner and thus also fulfil Finma's requirements. At the same time, SWICA guarantees customers comprehensive insurance cover and an attractive range of benefits at fair and affordable premiums.

What does SWICA have to do to meet Finma's requirements?

Contracts with hospitals must become more transparent. In other words, it must be clear which additional services the hospital provides that fall under supplementary insurance as opposed to mandatory insurance. These services must also be charged fairly. SWICA will also strengthen its controlling function.

Will premiums for hospitalisation insurance fall, as Finma is demanding?

SWICA is constantly developing new products in order to be able to offer customers attractive products and needs-based benefits at affordable premiums. If SWICA succeeds in sustainably reducing costs on the basis of the renegotiated contracts, customers will also benefit in the form of reduced premiums. But we will only know if this is the case only after the negotiations.

When will SWICA start renegotiating and how many contracts are involved?

SWICA started renegotiations in July 2021. SWICA has around 150 contracts with hospitals. About 50 contracts will be renegotiated each year until 2024.

When will the negotiations be completed?

The contracts will be renegotiated by the beginning of 2024.

What happens if a hospital refuses to accept the new contract?

Then we will have a situation in which there is no contract.

And what does that mean for customers?

It means that we have to find specific solutions for specific treatments for customers. It may be that they have to bear a specific part of the costs themselves or receive treatment in a different hospital. We will recommend and identify good solutions for each treatment in discussion with customers.

Hospitals mention that they cannot survive on remuneration from mandatory insurance alone, as these only cover about 85% of their costs. They therefore depend on the additional income from supplementary insurance. Consequently, lower rates in supplementary insurance would necessarily lead to an increase in OKP rates. What is SWICA's position on this?

SWICA is committed to fair compensation for hospitals in both basic and supplementary insurance, which means that basic insurance rates must cover the statutory benefits. The same must also apply to supplementary insurance rates.

SUPPLEMENTARY INSURANCE FROM SWICA

What does hospitalisation insurance include?

Hospitalisation insurance products offer additional benefits in accommodation (e.g. the choice of a one/two-bed room), in medical services (e.g. free choice of doctor and access to specialists), plus further services relating to the customer's hospital stay (e.g. transport service, special menu choice, childcare, etc.), involvement of additional physicians, faster and more flexible access to services, individual forms of therapy.

Semi-private and private insurance plans are becoming less attractive; even people with basic insurance are now often in single rooms. Why should I take out semi-private or private insurance?

In addition to one-bed/two-bed rooms, hospitalisation insurance offers other important elements (e.g. free choice of attending physician) and also often provides better and faster access to outstanding medical care. For many people this is more important in the context of inpatient treatment than outpatient treatment. That's why around a quarter of SWICA customers have opted for semi-private or private hospitalisation insurance. In addition to medical services, SWICA offers other benefits which add value for customers before, during and after their hospital stay. These include:

- › Assistance from SWICA around the hospital stay with a personal contact person for queries relating to costs or medical issues as well as support through other services
- › Reduced waiting times and a high level of scheduling flexibility
- › Right to be consulted regarding the date and time of hospital admission
- › Right to be consulted regarding the date and time of the operation
- › Financial contribution towards transport to and from hospital
- › Room comfort (size, facilities, view)
- › More generous visiting hours
- › Overnight accommodation for relatives

Policy-makers have forced through the principle of "outpatient care before inpatient care". This is another reason why supplementary insurance plans are less attractive. What does this mean for SWICA?

For SWICA, this means that it must adapt its products to the changing framework conditions so that it can continue to meet customer needs in the future. The principle of "outpatient before inpatient" is becoming more and more realistic thanks to medical progress. However, there are still many treatments that are carried out on an inpatient basis. In addition, it is legitimate for a customer with hospital insurance to opt for inpatient treatment even though the treatment could be delivered on an outpatient basis. Ultimately, the focus is on customer needs and individual benefits. SWICA wants to offer its customers products and solutions that meet their needs and support individual choice. Mandatory insurance can lead to systemic regulation or even to regulation in which the patient has no say. In the freely selectable supplementary insurance area, however, SWICA wants to leave the choice to the customer. Many loyal and satisfied SWICA customers confirm this to us every day by renewing or even enhancing their supplementary insurance cover.

With the new contracts, will patients with supplementary insurance receive detailed information about additional medical services without being asked to do so?

With the newly negotiated contracts, the hospitals must transparently bill the additional medical services of the supplementary insured. The hospitals must also send the insured person a copy of the invoice.

What about the old contracts?

SWICA informs customers as transparently as possible, but not all billing items are clearly visible in the currently valid flat rates. This will change with the new contracts.