

The TarMed Reform of 2014: A Causal Analysis of the Effects on the Behavior of Swiss Physicians

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Abstract : In October 2014, the TARMED reform was implemented in Switzerland. In an effort to even out the financial standing of general practitioners (including pediatricians) relative to that of specialists in the outpatient sector, the reform tackled two aspects: on the one hand, GPs would be able to bill an additional 9 CHF per patient, once per consult per day. This is referred to as the surcharge position. As a second measure, it reduced the fees for certain technical services targeted to specialists (e.g., imaging, surgical technical procedures, etc.). Given the fee-for-service reimbursement system in Switzerland, we predict that physicians reacted to the economic incentives of the reform by increasing the consults per patient and decreasing the average amount of time per consult. Within this framework, our treatment group is formed by GPs and our control group by those specialists who were not affected by the reform. Using monthly insurance claims panel data aggregated at the physician praxis level (provided by SASIS AG), for the period of January 2013-December 2015, we run difference in difference panel data models with physician and time fixed effects in order to test for the causal effects of the reform. We account for seasonality, and control for physician characteristics such as age, gender, specialty, and physician experience. Furthermore, we run the models on subgroups of physicians within our sample so as to account for heterogeneity and treatment intensities. Preliminary results support our hypothesis. We find evidence of an increase in consults per patients and a decrease in time per consult. Robustness checks do not significantly alter the results for our outcome variable of consults per patient. However, we do find a smaller effect of the reform for time per consult. Thus, the results of this paper could provide policymakers a better understanding of physician behavior and their sensitivity to financial incentives of reforms (both past and future) under the current reimbursement system.

Keywords : difference in differences, financial incentives, health reform, physician behavior

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