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IV. INVITED ARTICLE II

In an increasingly international environment with a higher proportion of people who cross national and regional boundaries, transnational insurance solutions become more and more relevant. The present article discusses the specific situation of French frontier workers employed in Switzerland providing one example of a tailor-made insurance solution that could be considered in other similar contexts.

Health insurance for French frontier workers in Switzerland

By Eric Orsel*

The first French frontier workers started to cross the Swiss border in the middle of the economic boom, from 1950 to 1980. In the absence of any legislation, their situation concerning health insurance was crucial. At that time, on the Swiss side, if they wanted to join the Swiss system, they had to reside in Switzerland; on the French side, they were not entitled to join the National Social Security system.

Replying to a “call for help” by the first association of frontier workers, a French health insurance company offered to cover members of this association and their dependents. Several others followed, and in 1996, when health insurance became compulsory in Switzerland with the introduction of the LAMal, almost 85% of frontier workers were covered by either one or the other health insurance companies or by a French mutual⁵. Since then, French frontier workers are the only Europeans who are not covered by a compulsory health insurance scheme⁶. Apart from a few exceptions - for reasons of disability or disease - very few of them have seized the opportunity to join a national insurance scheme⁷.

This situation is far from being a marginal one when one considers that nowadays about 100,000 frontier workers cross the border everyday from France into Switzerland, 40,000 of them to work in the canton of Geneva, one of the smallest cantons in Switzerland but where it is not unusual to find over 50% of frontier workers amongst a company’s personnel, and these are usually highly qualified. With the development of the links between Switzerland and EU countries – in particular with the implementation of the bilateral agreements which are referred to below – the number of frontier workers may increase further as EU citizens will be allowed to work in Switzerland under the provision that they return to their country once a week.

Following the negative result of the December 1992 Referendum, whereby the Swiss people rejected membership of the European Economic Area (EEA), Switzerland has entered into bilateral negotiations with the European Union which have led to the drafting of seven agreements one of which, on free movement of persons, came into force on 1 June 2002. It provides coordination between the different social security systems in compliance with Regulation (CEE) No. 1408/71 of the Council dated 14 June 1971.

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⁵ Liable to the «Code français de la Mutualité» (French Code for mutual insurance) and not to « Code des assurances » (insurance Code).

⁶ Even “les bateliers du Rhin” (boatmen sailing on the Rhine) have their own social healthcare system!

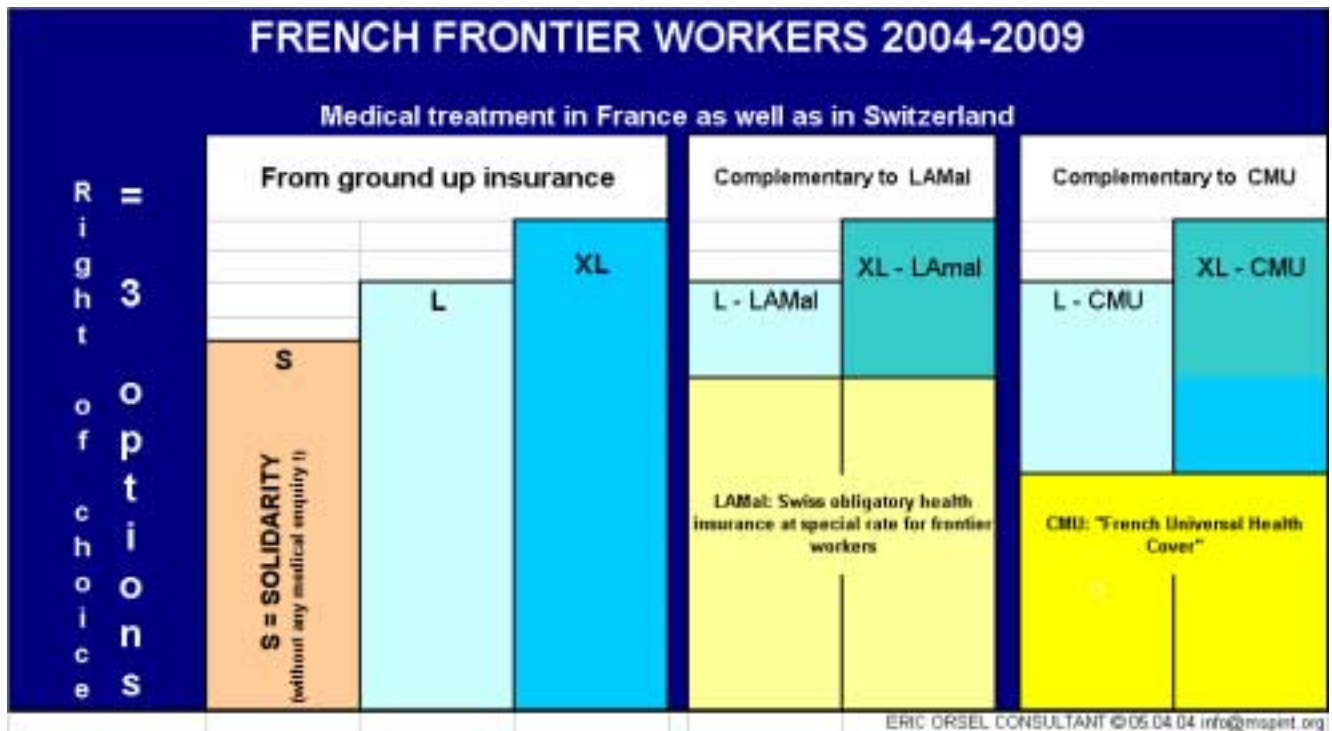
⁷ LAMal (Loi sur l’Assurance MALadie) became compulsory in Switzerland in 1996 and CMU (Couverture Maladie Universelle) in France grants cover since 1st January 2003, the contributions of which have not yet been determined.

After a great deal of toing and froing, partly due to the fact that frontier workers were afraid to lose previous advantages, French and Swiss governments finally came to an agreement – which has still to be ratified by the “EEA Joint Committee” - which provides frontier workers with three possibilities for their medical cover, namely to:

- 1/ subscribe a contract with a Swiss company (LAMal) in the country of employment (Switzerland);
- 2/ join the French Social Security (CMU) in the country of residence (France);
- 3/ join a French Private Healthcare Insurance until 2009, then enrolment in CMU with the option of private complementary cover.

At the signatory’s instigation, a Swiss-French group of influent members, active in various social, political and economic spheres, was constituted to elaborate a new solution that could serve the growing needs of frontier workers for healthcare plans. This is the reason why a non-profit making cross-border association, registered both in France and in Switzerland, was created which will grant frontier workers the possibility to join optimized health schemes.

The scheme which has been worked out in this respect is unique since it consists in an umbrella coverage (same level of benefits for everyone, independently of the country of medical treatment) which offers three possibilities with seven options according to the following plan:



This scheme has really a cross-border characteristic since its implementation requires intervention of several European (French in particular) and Swiss partners as follows (see the graphic appearing on the following page):

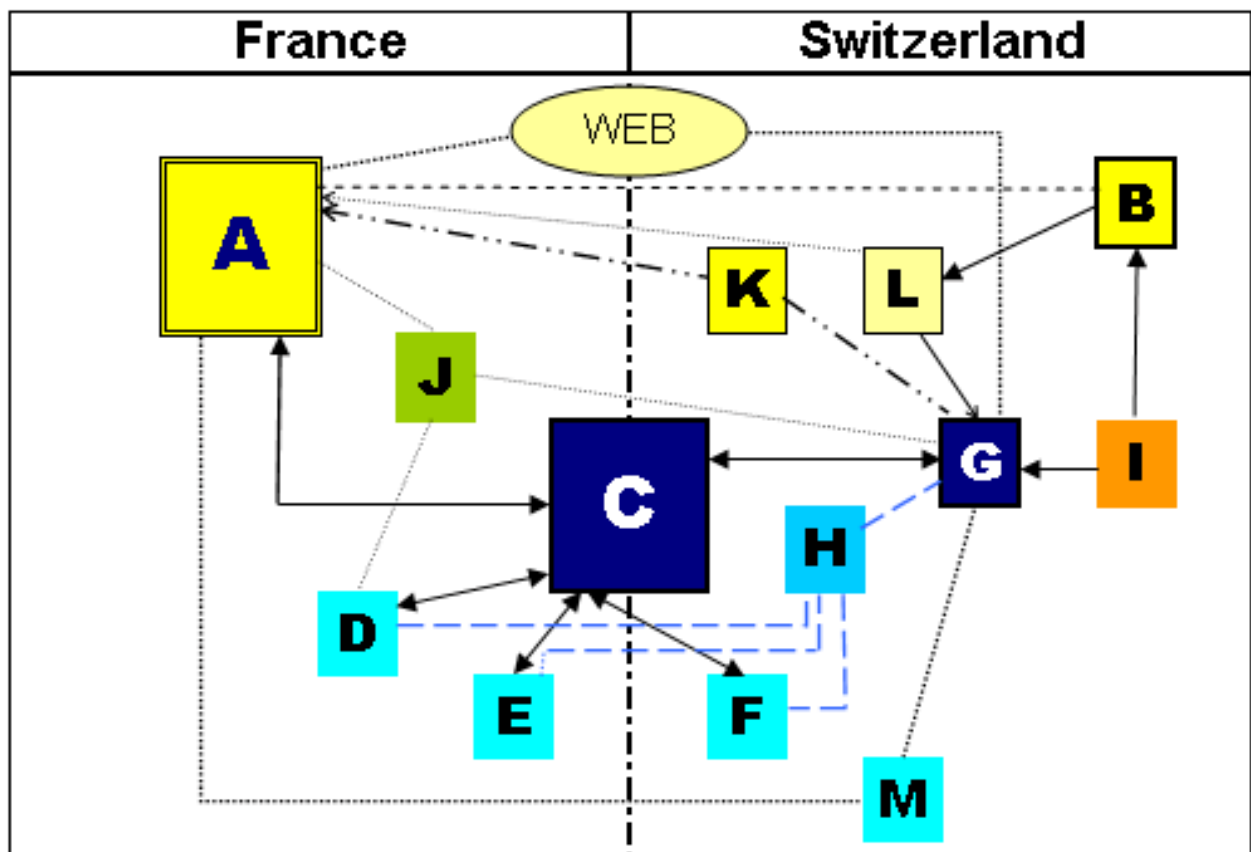
The frontier worker (A) resident in France usually employed by a company (B) located in Switzerland, becomes a member of the French association (C)⁸. This association is signatory to a collective health insurance agreement with the International Department of one of the biggest healthcare insurance companies in France (D), agreement governed by French law but expressed in Swiss francs. Besides, it is also signatory to an Assistance agreement to meet any needs concerning medical help or advice in France and in Switzerland with a worldwide number one Assistance company (E). A further agreement with another Assistance company located in Switzerland (F) has been planned to provide worldwide emergency evacuation (excluding France

⁸ Association pour l’optimisation des assurances transfrontalières (aplodat@mspint.org) registered in France in January 2004.

and Switzerland) and reimbursement of additional costs in countries with high standards of living (in partnership with a British company).

The frontier worker will be the beneficiary of these three agreements through a unique project. The French association (C) gives power to a broker located in Geneva (G) to administer the scheme and to promote it in Swiss companies (B). The mandated broker (G), who has also received power from the insurance and Assistance companies for the administration of the different contracts (H), proposes a partnership convention (I) to Swiss employers (B) or an overall contract to trade associations. Under this convention, the employer, who may collect the contributions, will promote the scheme among his salaried employees. The frontier worker (A) will be the beneficiary of innovative guarantees for dental and optical treatment offered by the first French technical desk relying on an organisation including more than 4000 private physicians (J), PPO⁹ and not HMO¹⁰. The frontier worker (A), who is used to surf on the web, will benefit from a special tariff at a lower price if he agrees to receive his reimbursement statement by email (K) and to correspond with the administrator through the same channel. Monthly contributions will be debited directly from the frontier worker's account (L) in Switzerland and transferred to providers (E,D & F) and to the association (C). Finally, and this will constitute a « happening » in Switzerland, the frontier worker will have the opportunity to benefit, through an American company (M), of a so-called «critical Illness»¹¹ special cover, offering him possibility to receive a lump sum payment in case of such an event. A bilingual French-English website will complete the offer.

Therefore, the frontier worker will benefit, as at end of April 2004, from a real optimized health insurance scheme: the commission will be lower than that normally charged for equivalent contracts, a guaranteed charter of quality, and a whole range of new guarantees.



⁹ Preferred Provider Organisation : a PPO allows insurance companies to negotiate directly with hospitals and physicians for health services at a lower price than would be normally charged.

¹⁰ Health Maintenance Organisation: a HMO is a prepaid group health insurance plan that entitles members to services of participating physicians, hospitals and clinics.

¹¹ Financial guarantee in case of critical illness.



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