Political environment

Healthcare sector: an increasingly important branch of the Swiss economy

According to a 2018 forecast by the KOF Swiss Economic Institute of ETH Zurich, growth in healthcare expenditure is expected to level off at just under 4% over the next two years, with a relatively moderate increase in health insurance premiums in 2019. At the same time, the healthcare sector is becoming an increasingly important branch of the Swiss economy, having accounted for 5.4% of total value added in 2016 (KOF 2018).

In 2017, the Federal Council initiated a discussion on health policy in Switzerland with an expert group report on curbing cost growth in the healthcare system. Its aim is to eliminate false incentives and stem rising costs. At the same time, it is seeking to establish a high-quality healthcare system that is accessible to all.

Strengthening of outpatient care providers

The shift from in-patient to out-patient care is to take place by adjusting the tariff structure accordingly. The Federal Council is committed to independent, decentrally coordinated care provided by doctors and pharmacists, and wants to promote networking in a targeted manner.

Swiss pharmaceutical market by value

Market volume 2018: CHF 5,969.2 million
(at ex-factory prices, 100%)

Pharmacies	49.7%
Dispensing doctors	24.7%
Hospitals	24.6%
Drugstores	1.0%

Source: IQVIA, pharmaceutical market Switzerland 2018

Digitisation and networking of healthcare stakeholders

As part of the “Digital Switzerland” action plan, the Federal Council commissioned the “E-Health strategy for Switzerland 2.0” in 2016, which aims to improve the quality, safety and efficiency of the healthcare system through digital networking. Digitisation offers new opportunities in the healthcare sector. The legal framework for the best possible promotion of digital health will be gradually defined over the coming years. Initial regulations, such as the Cancer Registration Act (CRA) and the Electronic Patient Record Act (EPRO) will soon come into force or have already done so. It is largely unclear how questions of ethics, data protection and supplementary legislation are to be regulated in order to help digitisation in the healthcare sector achieve a breakthrough.

Revision of the Therapeutic Products Act (TPA) – reclassification of dispensing categories

The changes from the ordinary revision of the TPA came into force on 1 January 2019. The aim of the revision was to improve the population’s access to medicines.

The revision of the TPA led to a reclassification of medicinal products as of 1 January 2019. Until the end of 2018, the categorisation into five lists was as follows: A – stricter prescription-only status, B – prescription only, C – pharmacy only, D – also available in drugstores, E – sale in all shops. The revision will also strengthen the role of the pharmacy. Category B products can, in justified cases, also be supplied by a pharmacist without a prescription, and the services which pharmacists can invoice via compulsory health insurance will be expanded. The aim of these efforts is to strengthen treatment compliance.

Since the beginning of 2019, List C in principle no longer exists. Approximately 85% of the medicinal products previously included in List C have been classified in List D and will therefore only be available from specialist retailers. The other approximately 15% have been included in List B to increase patient safety, i.e. pharmacies can continue to dispense them without a doctor’s prescription. Around 100 products have been transferred from List D to List E and can therefore be sold freely without specialist advice in future.

Drug price reduction measures

Three years after inclusion in the so-called specialities list (SL), all drugs are subjected to a price review by the Federal Office of Public Health (FOPH). The assessment is based on the criteria of efficacy, suitability and cost-effectiveness and for several years now has also included a therapeutic cross-comparison (TCC) and an international price comparison (IPC).

As part of the current three-year review period (2017–2019), the prices of more than 400 drugs on the specialities list (SL), i.e. medicines reimbursed by compulsory health insurance, were reviewed at the end of 2017. This resulted in price reductions of almost 19% on those drugs reviewed, a total of around CHF 225 million. This was a much higher volume than the originally announced average annual price reductions of around CHF 80 million per year (CHF 60 million for SL medicines and CHF 20 million for generics), which would have meant a total of CHF 240 million over the entire three-year period (CHF 180 million for SL medicines and CHF 60 million for generics). The focus of the review in 2017 was mainly on high-priced medicines such as cancer drugs at an exchange rate of EUR/CHF 1.09.

Price reductions of CHF 100 million were announced at the end of 2018 based on an international price comparison at an exchange rate of EUR/CHF 1.11. The FOPH will publish the effective savings from the 2018 price reduction measures in the course of 2019. The current three-year review cycle ends in 2019.

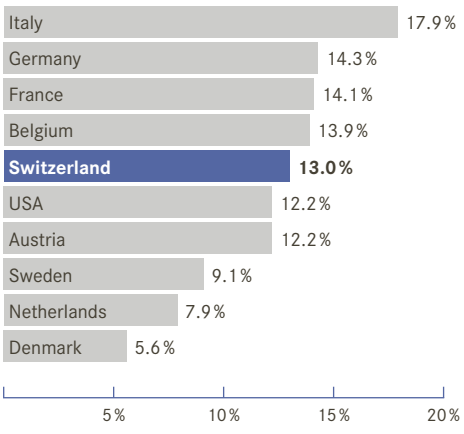
Outlook

The current tariffs from the service-based remuneration for pharmacists (SBR IV) are limited by the Federal Council until mid-2019. Swiss pharmacy association Pharmasuisse and health insurance associations are negotiating a new SBR V contract or an extension of the existing contract, with the results expected in the second quarter of 2019.

As part of the Federal Council's efforts to curb cost growth in the healthcare sector and eliminate false incentives, the FOPH has sent further proposals for consultation to the associations: for example, proposals for adjusting the joint distribution share (distribution margin) of wholesalers and pharmacists. Accordingly, price categories would be reduced from six at present to three in future, and the fixed and percentage shares restructured.

At the same time, a consultation on the reference price system has been launched, in which the maximum prices of generic drugs are to be regulated with regard to reimbursement by health insurers. Implementation would require amendment of the Health Insurance Act (KVG). According to the associations involved, an amendment to the law would not enter into force until 2021/2022 at the earliest.

Share of healthcare costs accounted for by medicines



Source: OECD Health Data 2017, basis 2015