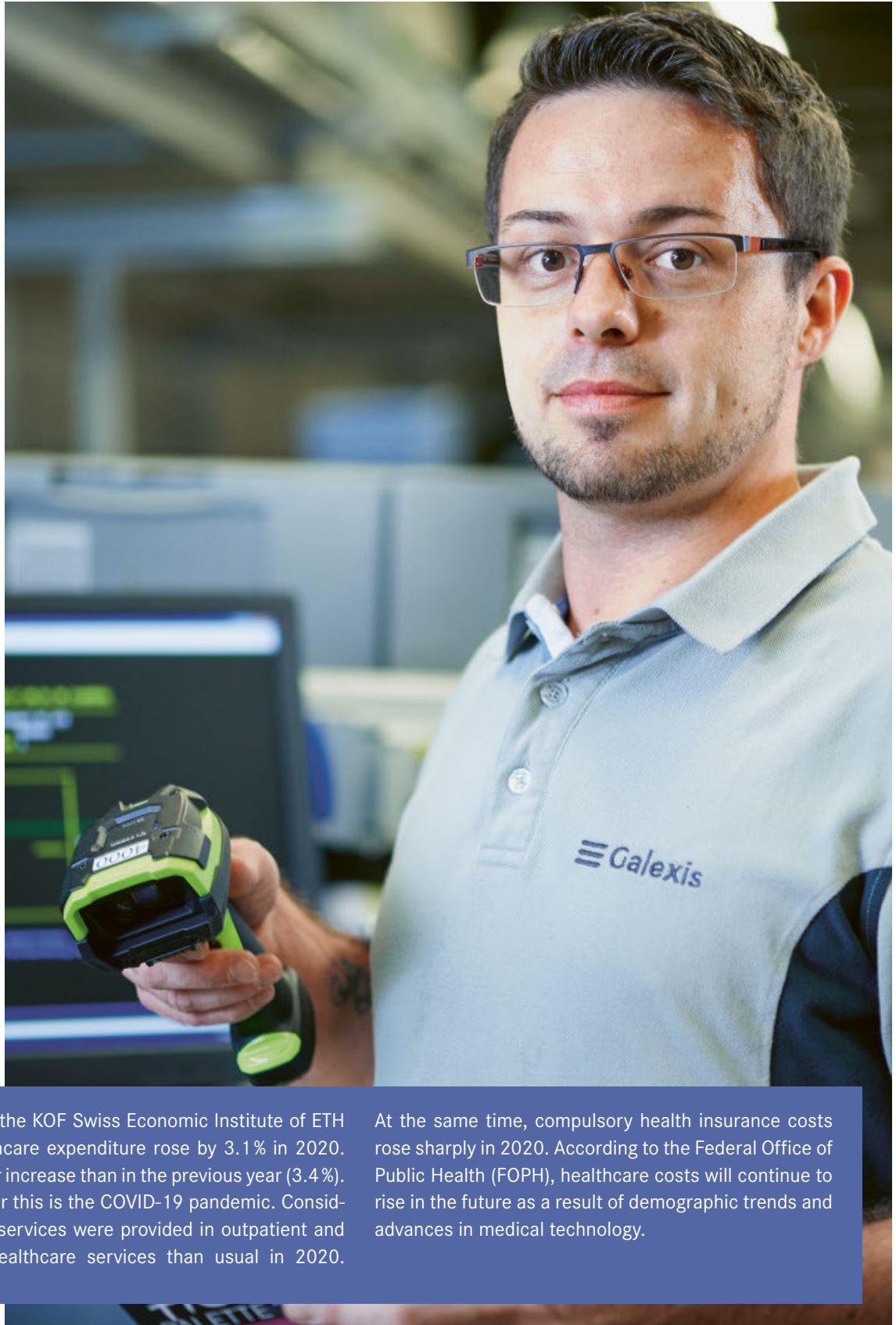


Political environment



According to the KOF Swiss Economic Institute of ETH Zurich, healthcare expenditure rose by 3.1% in 2020. This is a lower increase than in the previous year (3.4%). The reason for this is the COVID-19 pandemic. Considerably fewer services were provided in outpatient and supporting healthcare services than usual in 2020.

At the same time, compulsory health insurance costs rose sharply in 2020. According to the Federal Office of Public Health (FOPH), healthcare costs will continue to rise in the future as a result of demographic trends and advances in medical technology.

Initial package of measures to contain costs

The Federal Council has divided the healthcare cost containment programme into two packages of measures. These packages are based on recommendations from an international expert group, which approved the report to the Federal Council on “Cost containment measures to relieve the burden on compulsory basic health insurance” in August 2017.

The Federal Council is pursuing the following objectives with the initial package of measures (selection):

- Pilot projects (experimental article) and reimbursement of treatments abroad
- Better-structured tariff negotiations (national tariff organisation)
- Creation of flat-rate outpatient charges
- Reduction in the price of generics (reference price model)
- Improvement of invoice verification

Parliament began consultations on the first package of measures in 2020. During the consultations, the National Council as the first legislative chamber came out against the introduction of a reference price model for medications whose patents have expired. Conversely, it came out in favour of the proposal on flat-rate outpatient charges, which the Council of States was against at the first reading.

Both chambers were in favour of the introduction of an experimental article, which would make it possible to implement innovative, cost-containing pilot projects to ease the burden on premium payers. Parliament will continue consultations on the first package of measures in 2021.

Second package of cost-containment measures submitted for consultation

The second package of measures under the healthcare cost containment programme was submitted for consultation in autumn 2020. The dispatch and draft legislation should be approved and submitted to parliament in 2021. The package includes the following (selection):

Cost targets

The Federal Council sets a national cost target and also recommends that the cantons set cost targets for various outpatient and inpatient cost blocks. If the cost targets are not achieved, the tariff partners should lower the tariffs.

The question of whether patients would have to switch service providers when the budget for the current year is used up is a matter of debate.

Cost targets are being put forward to parliament as an indirect counterproposal to the federal popular initiative “For lower premiums – to curb healthcare costs”.

Initial point of consultation

When they have health problems, insured persons are required always to contact their family doctor as an initial point of consultation.

Family doctors advise the patients, treat them themselves or refer them to other service providers. Specialist doctors can be chosen freely, as long as the initial point of consultation has consented. The initial point of consultation will receive a flat fee from the insurer for each person.



The proposal has been criticised, as 70% of insured persons have already opted voluntarily for an alternative insurance model, such as the family doctor model. In contrast to the proposal of the Federal Council, the first point of contact in alternative insurance models can be chosen freely. This role can be taken on by telemedicine, a pharmacist or a family doctor.

The position of pharmacies as the first point of contact for healthcare advice is a key topic in the Galenica strategy (see also page 10). This also involves partnerships with health insurers for insurance models. Pharmacists have the specialist training and skills needed to provide a widely accessible, efficient and cost-effective initial consultation. For this reason, pharmacies are taking on a major role in the healthcare system and help keep rising costs in the health sector under control.

Patient care programmes

The Federal Council is proposing treatment programmes with the involvement of various services providers throughout the treatment process. It believes that these will lead to better results than unstructured individual measures.

The programmes may be under the supervision of doctors, but it is also possible that other service providers such as pharmacies could provide independent services.

Price models and reimbursements

Price models should ensure rapid, cost-effective access to innovative medicinal products. The Federal Council proposes that marketing authorisation holders should reimburse part of the costs to the insured person. They would benefit from prices no longer having to be published.

Two points have been criticised: The Federal Council would gain far-reaching powers as regards reimbursements. Calls are also being made for medicinal product prices under basic health insurance to be made public.

New LOA V tariff model submitted

Curafutura, the association of innovative health insurers, and pharmacy association Pharmasuisse submitted the new LOA V pharmacy tariff for service-based remuneration together with a proposal for a revised distribution share to the Federal Council in May 2020. Under the proposal, the distribution share and service-based remuneration would be approved as a package. For example, the salary cost of the pharmacy team to provide pharmaceutical services would be removed from the distribution share and instead now be billed via LOA V.

The aim is for the revised distribution share and LOA V to be implemented on 1 January 2022.

1,819
pharmacies
in Switzerland

(2021, source: Pharmasuisse)

281

hospitals with a total
of 580 locations

(2019, source:
Federal Statistical Office)

37,882
doctors
in Switzerland

(2019, source:
Swiss Medical Association)

Electronic patient record delayed

The launch of the electronic patient record has had to be delayed several times. The reason given for the delay by the Swiss Federal Audit Office (SFAO) was the complex certification process as well as the accreditation of the certification authorities. The FOPH has avoided giving a specific launch date, but it is now expected to be in May 2021.

New medical service providers that want to invoice services via basic health insurance must join a certified reference community. The voluntary nature of this for doctors with their own practices will therefore be removed for new service providers.

Mail-order business

The requirements concerning mail order of medicinal products are regulated at the federal level in the Therapeutic Products Act. Subsequent mailing or home delivery of medicinal products by bricks-and-mortar pharmacies, drugstores or private pharmacies belonging to medical practices are not covered by the term “mail-order pharmacy”. The Federal government will be examining the development of a future solution.

During the coronavirus crisis, the Association of Cantonal Pharmacies permitted pharmacies and drugstores to deliver non-prescription medications to the homes of individuals who were not regular customers following a specialist consultation by phone.

Periodic review of drug prices

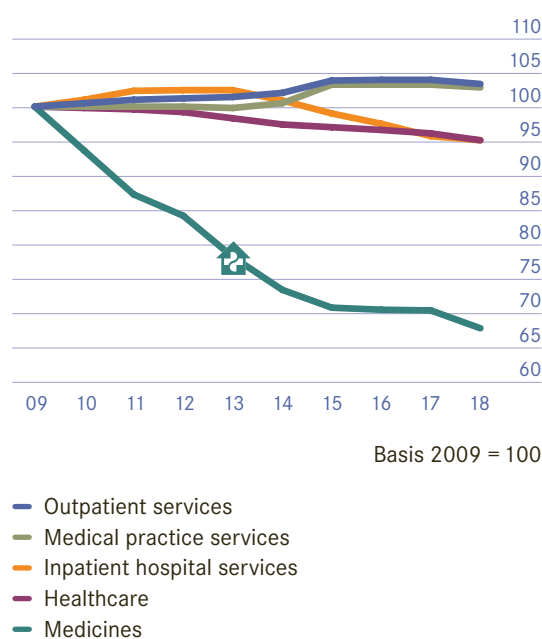
All medicines reimbursed by compulsory health insurance and that are consequently included in the specialties list (SL) are subject to a price review by the FOPH three years after their initial listing. The assessment is based on the criteria of efficacy, suitability and cost-effectiveness and, for several years now, an international price comparison (IPC) and a therapeutic cross-comparison (TCC). Under the three-year review, the Federal Office of Public Health (FOPH) reduced the prices of 257 originator products by an average of 16.3% in 2019, which corresponds to savings of around CHF 120 million. The FOPH completed around 55% of its review for 2020 and reduced the prices of more than 300 medicinal products by an average of 11.0%. Savings of at least CHF 60 million are expected as a result. The review of the remaining medicinal products with further expected savings should be completed by 1 February 2021.

Outlook

The main objective of both packages of measures is to contain costs. There is a risk here of losing focus on efficient service provision, and of the savings leading to cutbacks and rationing. It is also important with all measures to prevent inadequate care and over- and underprovision of care.

In the area of medicinal products, differential pricing for low-priced and innovative high-priced medications should be examined. The price reduction rounds should not result in low-priced medications disappearing from the market and no new inexpensive medications being approved.

Price index medicines and healthcare services



Source: Federal Statistical Office, Swiss consumer price index, IQVIA, conversion basis 2009 Pharmasuisse