



# Pricing & Reimbursement

## Swiss perspective



BioLawEurope

4<sup>th</sup> Annual Meeting

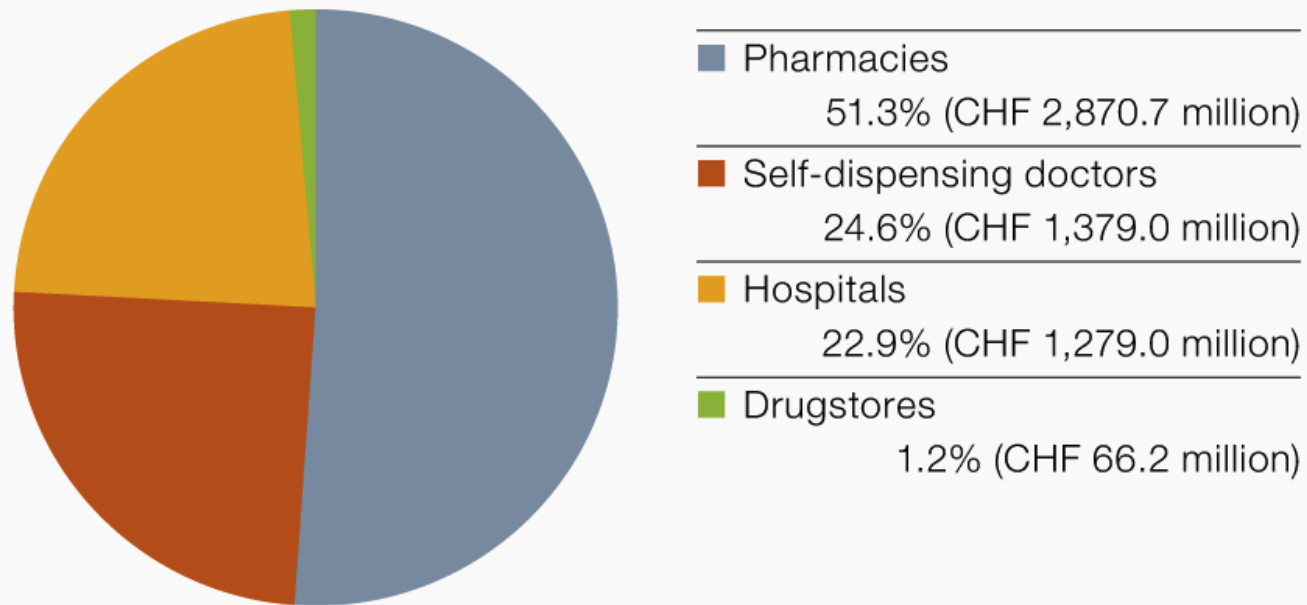
Rome, May 18, 2018

Stefan Kohler, Attorney at Law, VISCHER AG

# ● Pharmaceutical market in Switzerland

## Pharmaceutical market in Switzerland by value

Market volume 2016: CHF 5,594.8 million (at ex-factory prices, 100%)



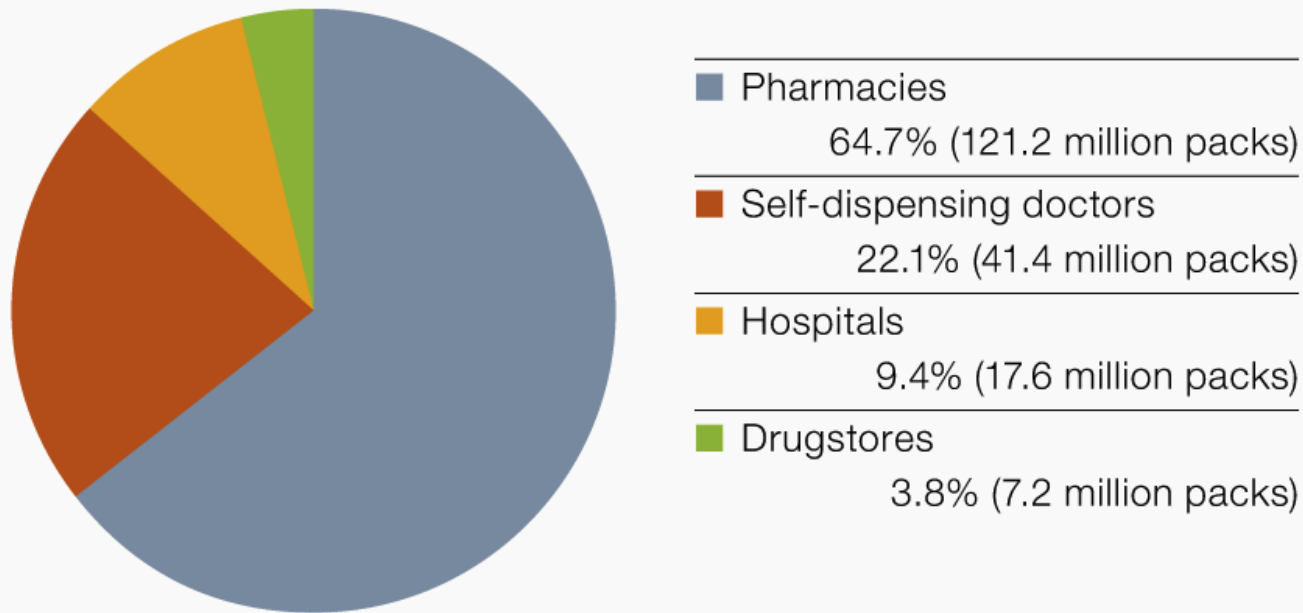
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Source: Interpharma with database QuintilesIMS Switzerland, 2017.

# ● Pharmaceutical market in Switzerland

## Pharmaceutical market in Switzerland by volume

Market volume 2016: 187.5 million packs (100%)



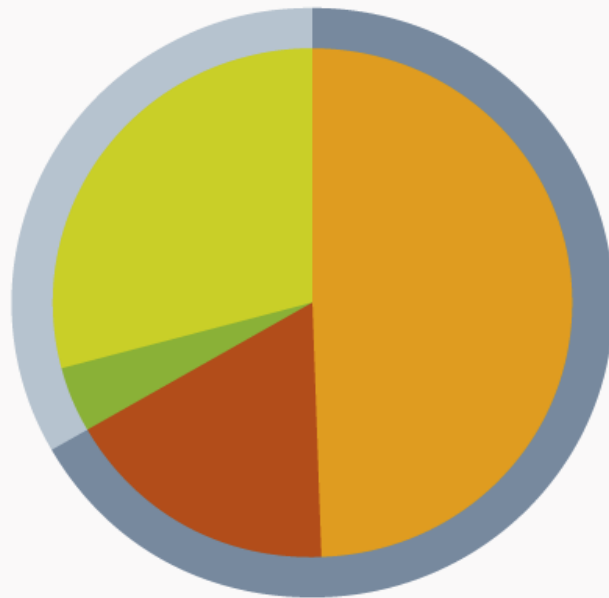
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Source: Interpharma with database QuintilesIMS Switzerland, 2017.

# ● Pharmaceutical market by reimbursability

## Pharmaceutical market by reimbursability according to volume

Market volume 2016: 187.5 million packs (100%)



- **Reimbursable products**  
**66.7% (125.0 million packs)**
  - Prescription only  
49.5% (92.8 million packs)
  - Over the counter  
17.2% (32.2 million packs)
- **Non-reimbursable products**  
**33.3% (62.5 million packs)**
  - Prescription only  
4.2% (7.8 million packs)
  - Over the counter  
29.1% (54.7 million packs)

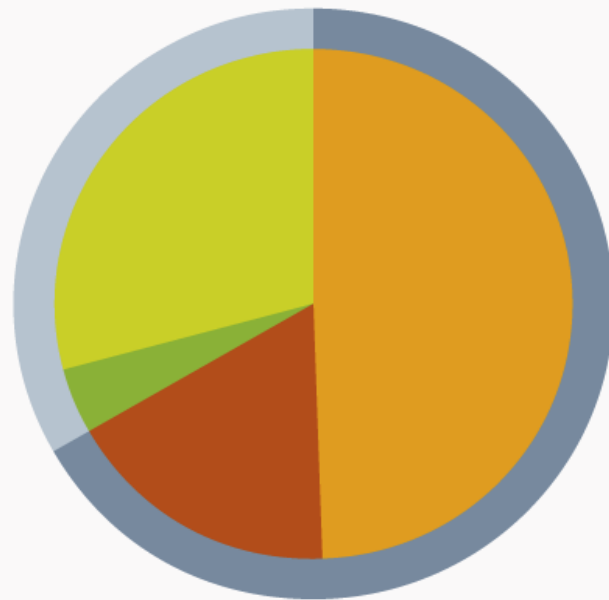
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Source: Interpharma with database QuintilesIMS Switzerland, 2017.

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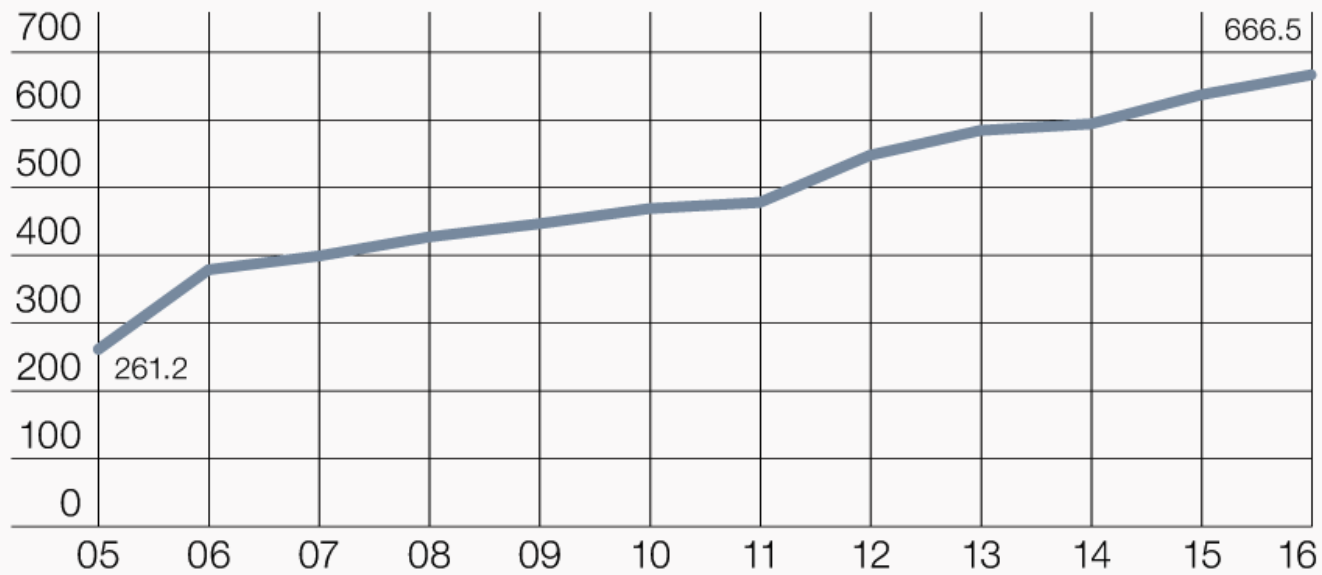
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Source: Interpharma with database QuintilesIMS Switzerland, 2017.

# ● Generics

## Generics market

Generics market (in CHF millions, at ex-factory prices)



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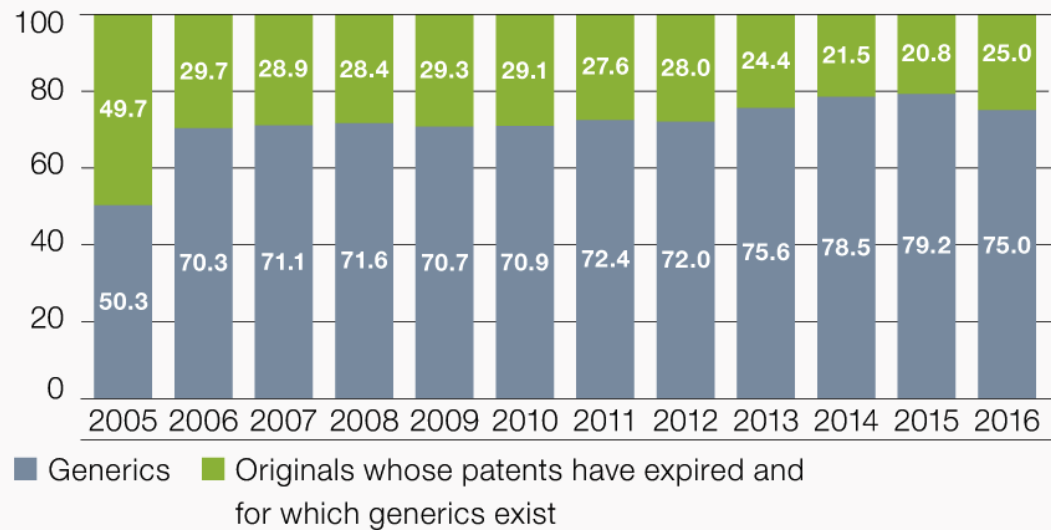
Source: Interpharma with database QuintilesIMS Switzerland, 2017.

# Generics

## Generics-eligible market

Generics-eligible active ingredients, top 20 (by value),  
defined on a monthly basis

Generics as a proportion of the generics-eligible market  
(in %, on the basis of counting units<sup>1</sup>)



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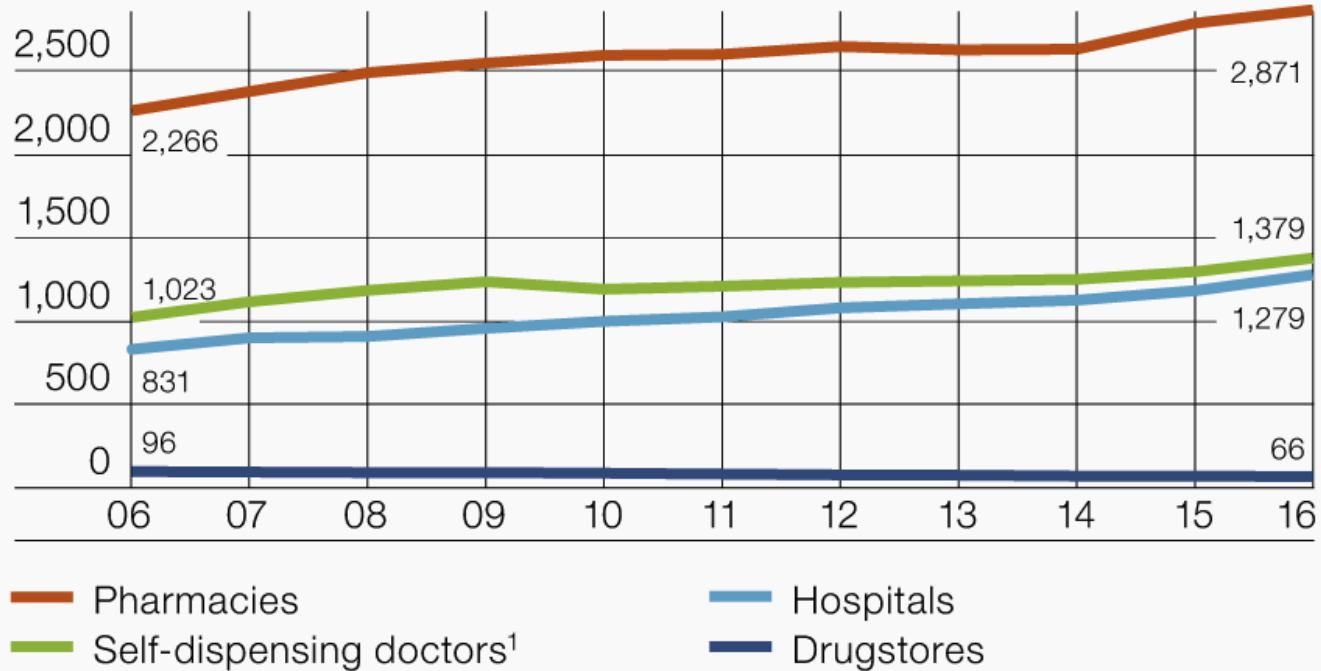
Source: Interpharma with database QuintilesIMS Switzerland, 2017.

<sup>1</sup> Number of tablets, capsules, millilitres, etc. sold.

# ● Sales outlets by turnover and inventory

## Sales outlets by turnover

In CHF millions, at ex-factory prices



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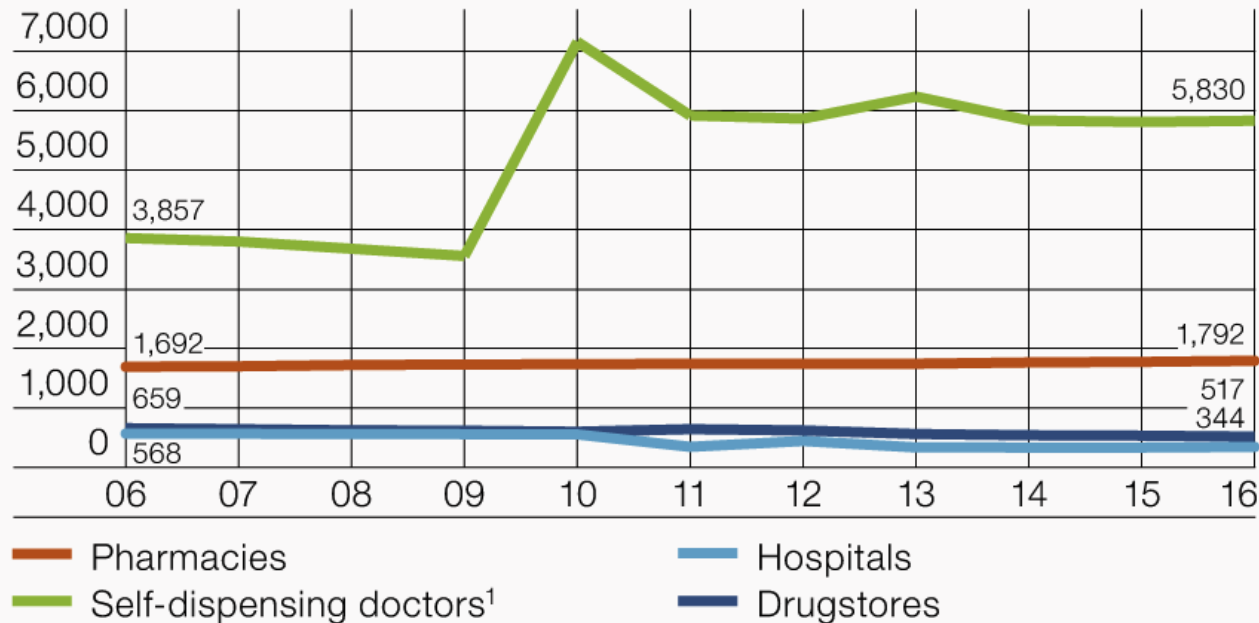
Source: Interpharma with database QuintilesIMS Switzerland, 2017.



# ● Sales outlets by turnover and inventory

## Sales outlets by inventory

Number of self-dispensing doctors<sup>1</sup>, pharmacies, drugstores and hospitals



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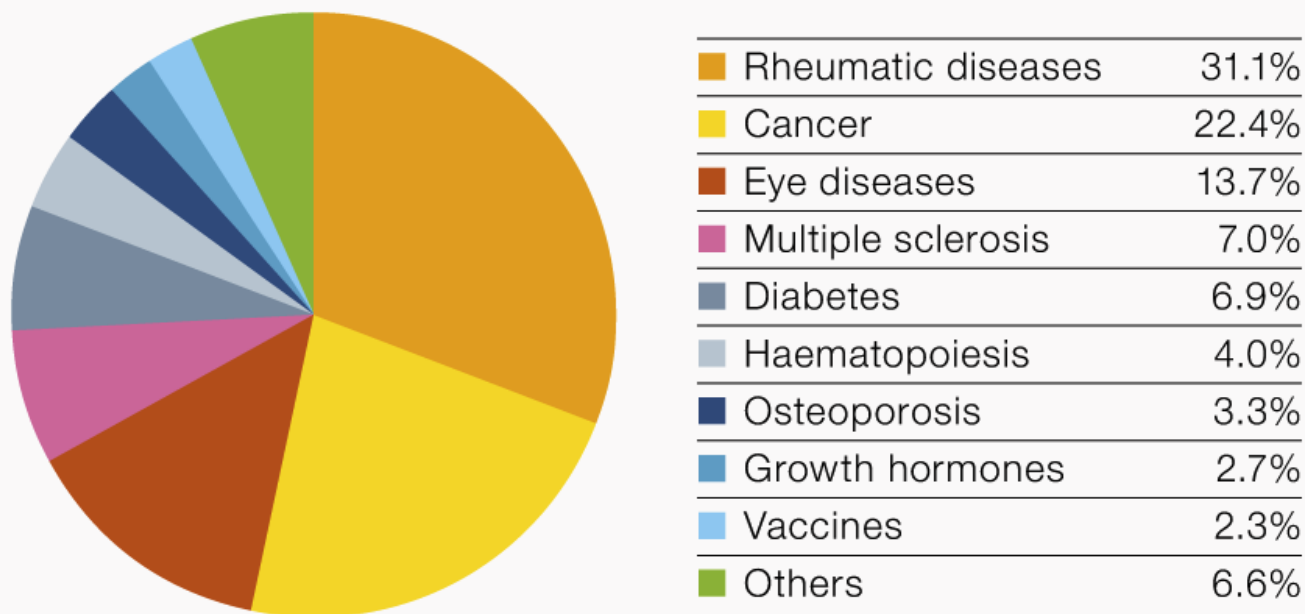
Source: Interpharma with database QuintilesIMS Switzerland; Cegedim Switzerland SA, Zurich branch; Medizinalberuferegister; pharmaSuisse, 2017.

<sup>1</sup> Doctors with their own pharmacy are described as self-dispensing doctors.

# ● Biotech and gene tech products

## Indications for biotech and gene tech products

Market volume 2016: CHF 1,060.2 millions (at ex-factory prices, 100%)



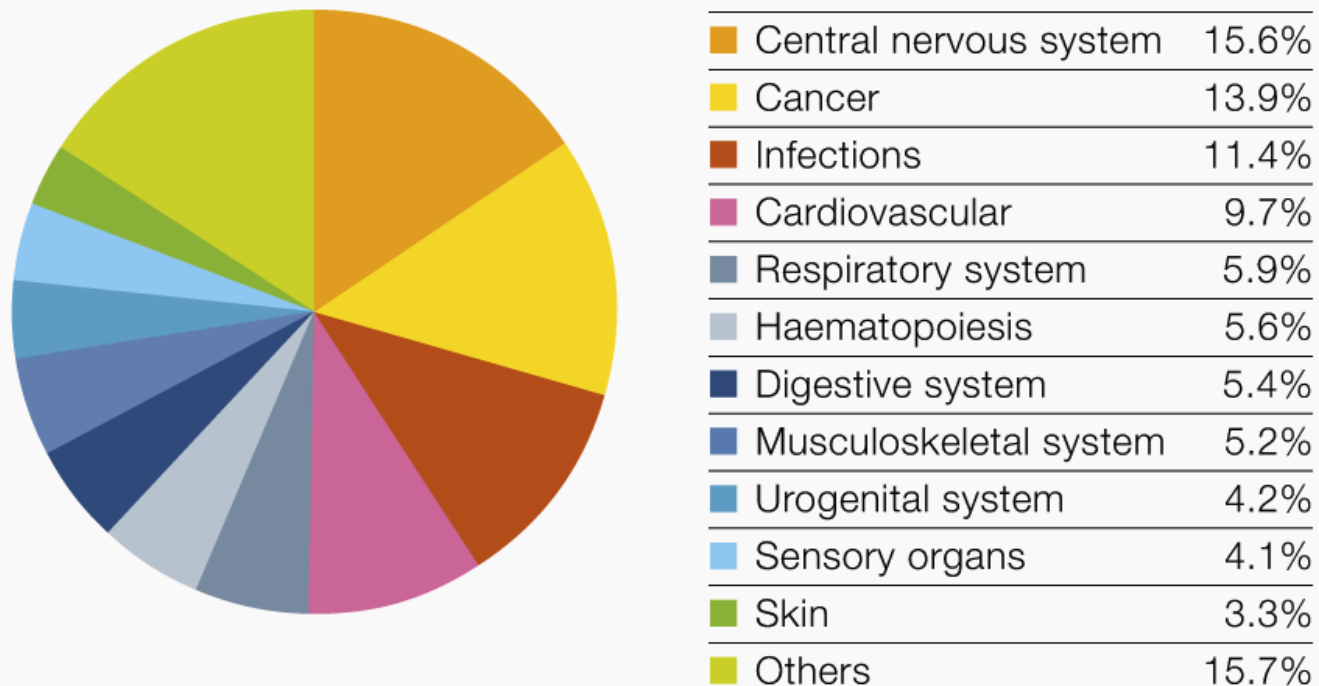
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Source: Interpharma with database QuintilesIMS Switzerland, 2017.

# ● Market share of medicines by indication area

## Market share of medicines by indication area

Market volume 2016: CHF 5,594.8 million (at ex-factory prices, 100%)



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Source: Interpharma with database QuintilesIMS Switzerland, 2017.

# ● Approval of medicines/number of approved medicines

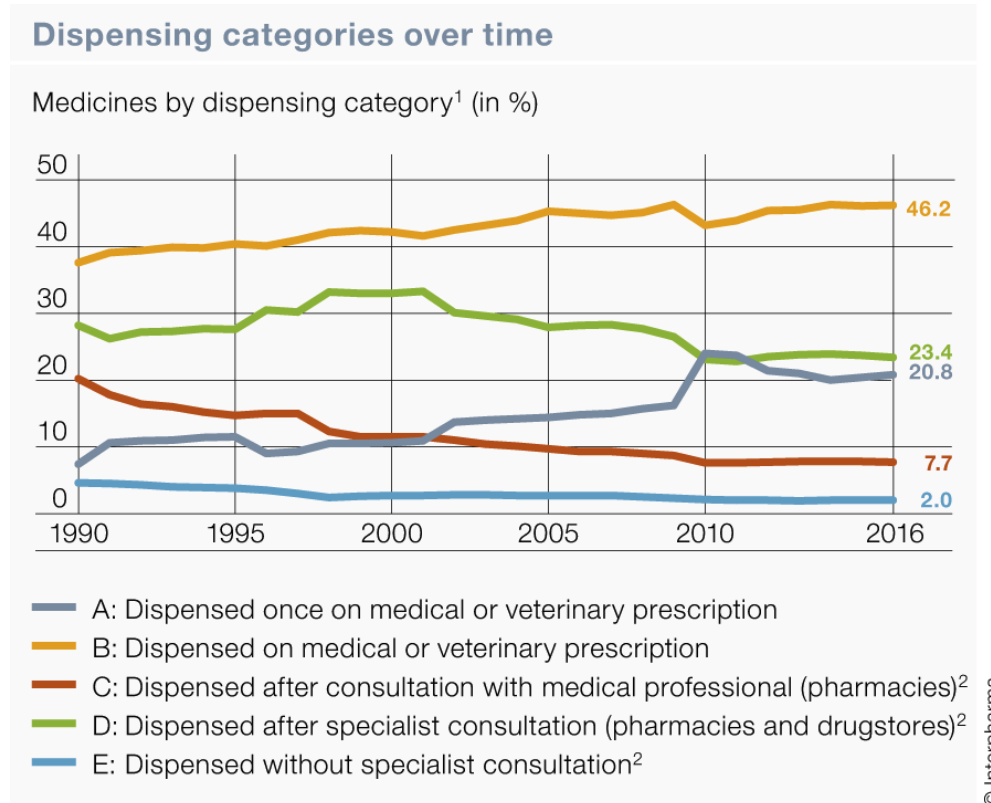
Number of approved medicines in Switzerland				
	2000	2014	2015	2016
Human medicines <sup>1</sup>	7,224	7,662	7,593	7,683
Veterinary medicines	890	714	719	734
<b>Total approved medicines</b>	<b>8,114</b>	<b>8,376</b>	<b>8,312</b>	<b>8,417</b>

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Source: Annual reports, various years, Swissmedic.

<sup>1</sup> Human medicines, allergens, biotech medicines, homeopathic medicines, vaccines, herbal medicines, radiopharmaceuticals and other product categories.

# Approval of medicines/number of approved medicines



Source: Annual reports, various years, Swissmedic.

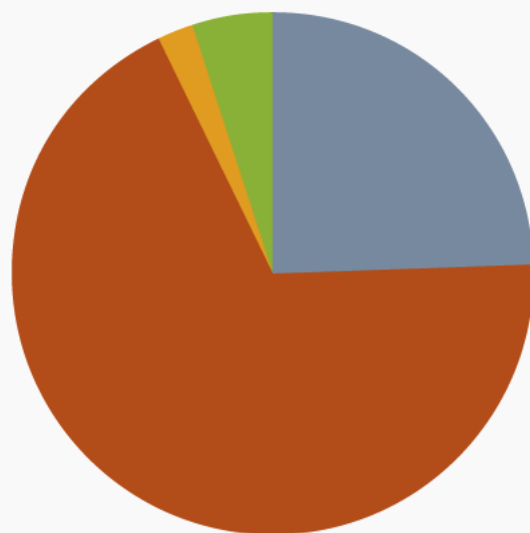
<sup>1</sup> Certain products are assigned to more than one dispensing category and have therefore been counted more than once (pack size or dose).

<sup>2</sup> Over the counter.

# ● Medicines in the Specialties List (SL)

## Reimbursable medicines by dispensing category

Total reimbursable medicines 2016: 9,784 packs<sup>1</sup> (100%)



List A:	2,404	(24.6%)
List B:	6,688	(68.4%)
List C:	191	(2.0%)
List D:	491	(5.0%)

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Source: Federal Office of Public Health, 2016, as at 1.12.2016.

<sup>1</sup> 10 packs (0.1%) could not be assigned to a list. These comprised pens, diskhalers and baby food.

# ● Medicines in the Specialties List (SL)

Medicines in the Specialties List (SL)				
	1995	2014	2015	2016
Number of products	2,255	2,898	2,922	2,948
Number of packs	5,383	9,725	9,649	9,784

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Source: Federal Office of Public Health, 2016, as at 1.12.2016.

# ● Composition of the price of a medicine

Composition of the price of a medicine		
Retail price (according to Specialties List, SL) <sup>1</sup>	Pharmaceutical benefits according to LAMaI	
	Value-added tax (2.5%)	
	Sales and distribution costs	Production costs (logistics, infra- structure, personnel)
		Capital costs
	Ex-factory price	Sales tax
		Foreign price comparison (AT, BE, DE, DK, FI, FR, GB, NL, SE) based on ex-factory prices
		Therapeutic cross-comparison

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Source: Federal Office of Public Health.

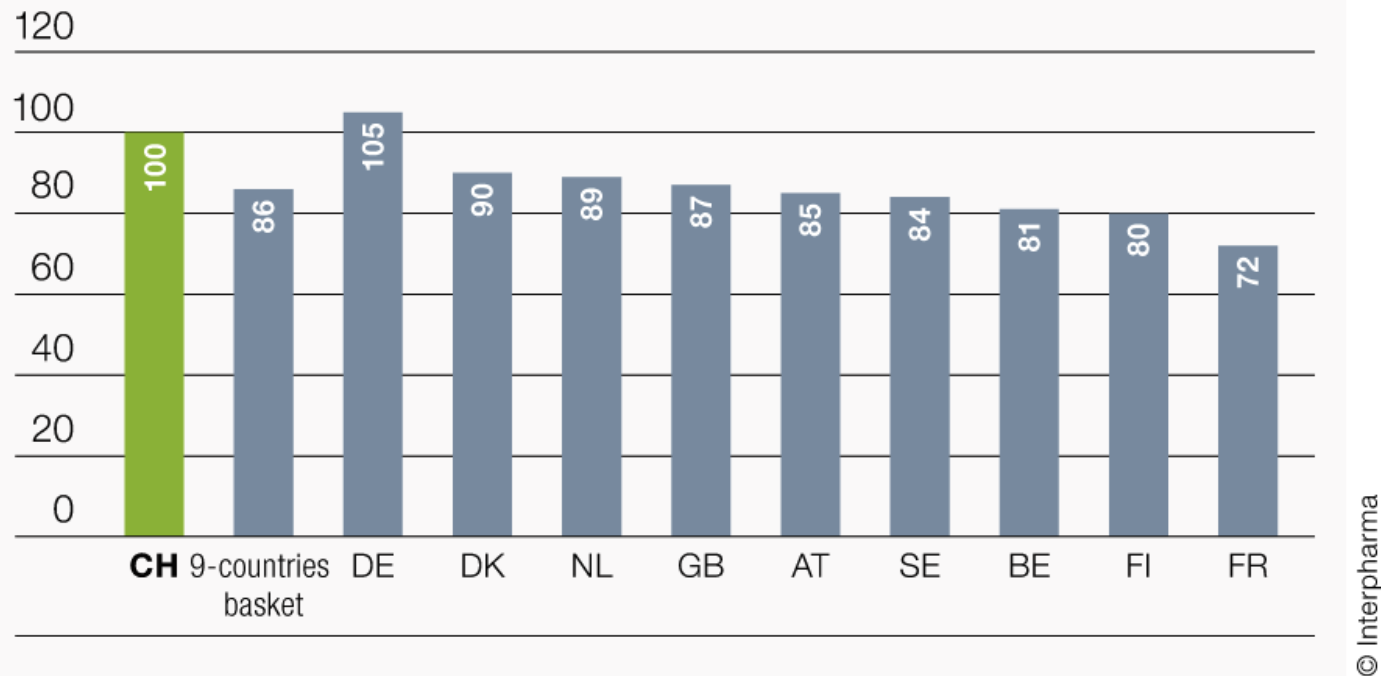
<sup>1</sup> The relation between retail price and ex-factory price can be found at [www.spezialitaetenliste.ch](http://www.spezialitaetenliste.ch)



# ● Prices of medicines: foreign-price comparison

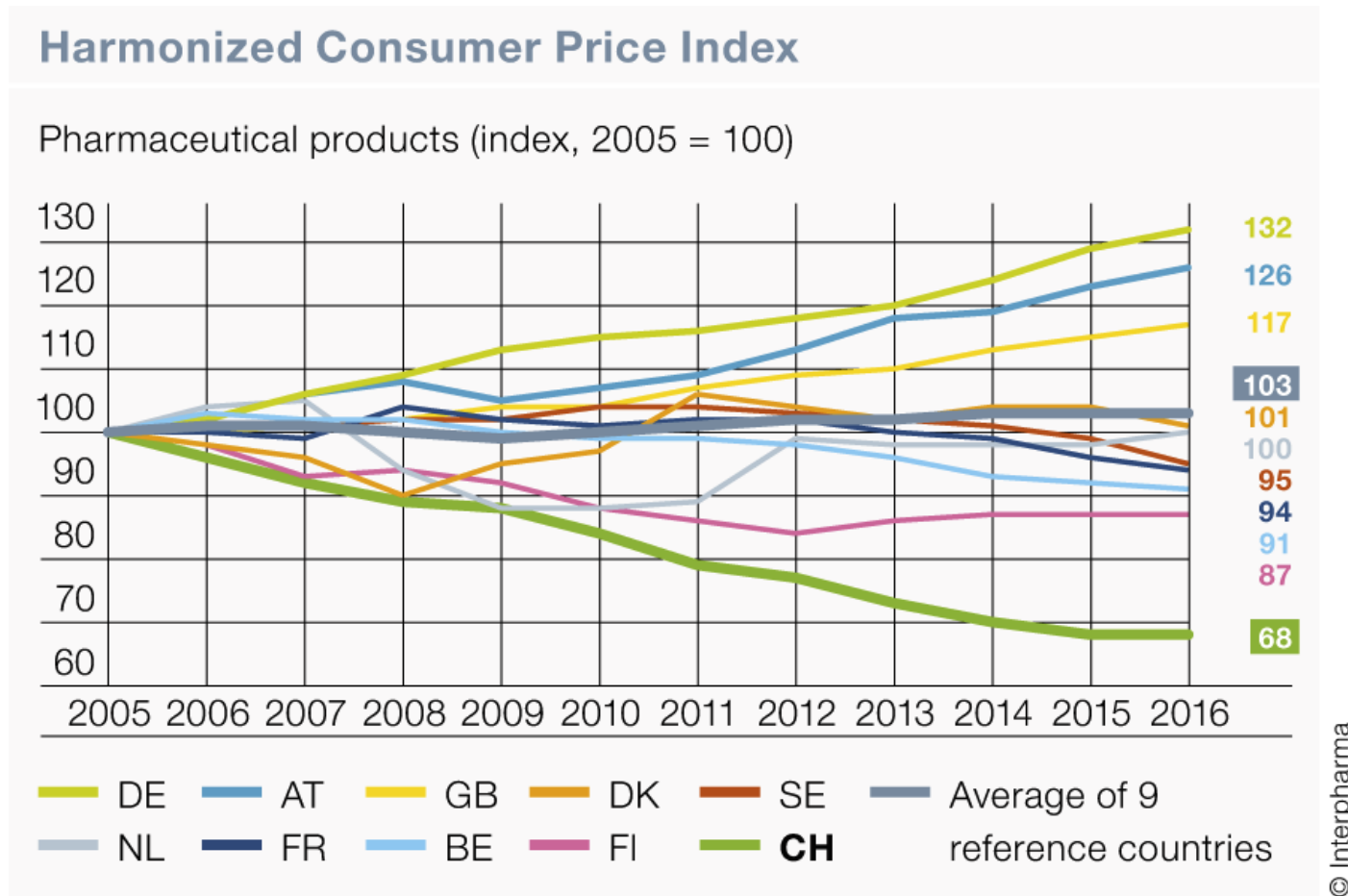
## Comparison of drug prices Switzerland vs other countries

Top 250 original products 9-countries basket (exchange rate CHF/EUR 1.07), September 2016 prices



Source: Joint foreign-price comparison by santésuisse and Interpharma, April 2017.

# ● Prices of medicines: foreign-price comparison



Source: Eurostat, 2017.



# Pricing for Reimbursement | Basics

## step 1: market authorization

- legal basis: Therapeutic Products Act
- competent authority: Swiss Agency for Therapeutic Products («**swissmedic**»)
- requirements: (i) high quality, (ii) safety, (iii) efficacy

## step 2: pricing and reimbursement

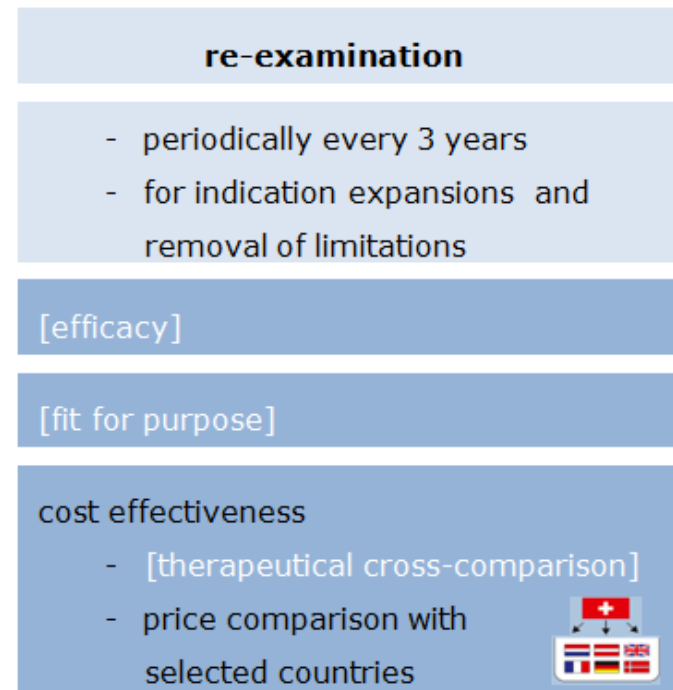
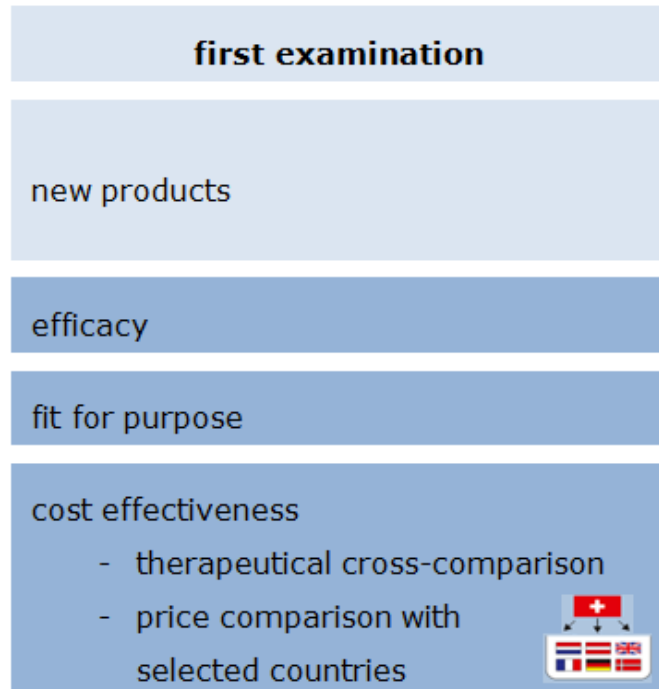
- legal basis: Health Insurance Act
- competent authority: Federal Office of Public Health («**FOPH**»)
- requirements: (i) market authorization; (ii) efficacy, (iii) fitness for purpose, (iv) cost effectiveness

# ● Pricing for Reimbursement | Requirements

scope of FOPH's review:	
market authorization	given?
efficacy	does product indicate capacity for beneficial effect?
fitness for purpose	acceptable risk of adverse effects / improper use?
cost effectiveness	best price for best healing power?

- if all requirements are met, FOPH includes product in the «list of pharmaceutical specialities» which allows reimbursement by health insurances

# ● Pricing for Reimbursement | Examination





# Basic Principles

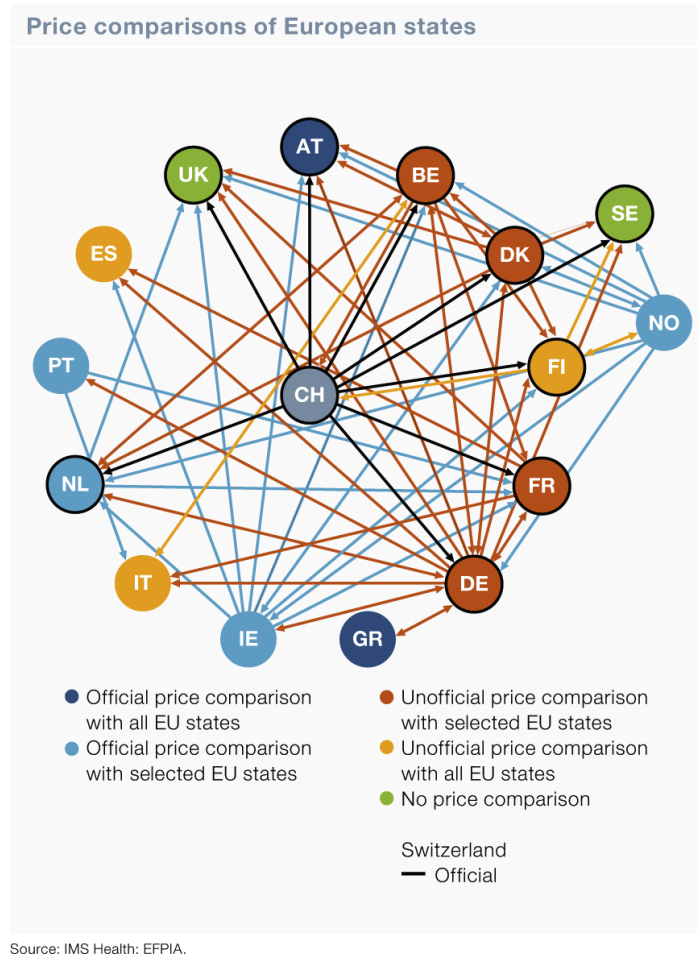
- In the three-year price reviews, prices can only be reduced, but not increased
- Applications for price increases are possible
- Since March 2017, equal weight has been given to international reference pricing and therapeutic reference pricing both for the initial inclusion in the SL and also for all price reviews



# Foreign Countries Comparison

- Basket of countries made up of
  - Austria
  - Denmark
  - France
  - Germany
  - Great Britain
  - the Netherlands
  - Belgium
  - Finland
  - Sweden.

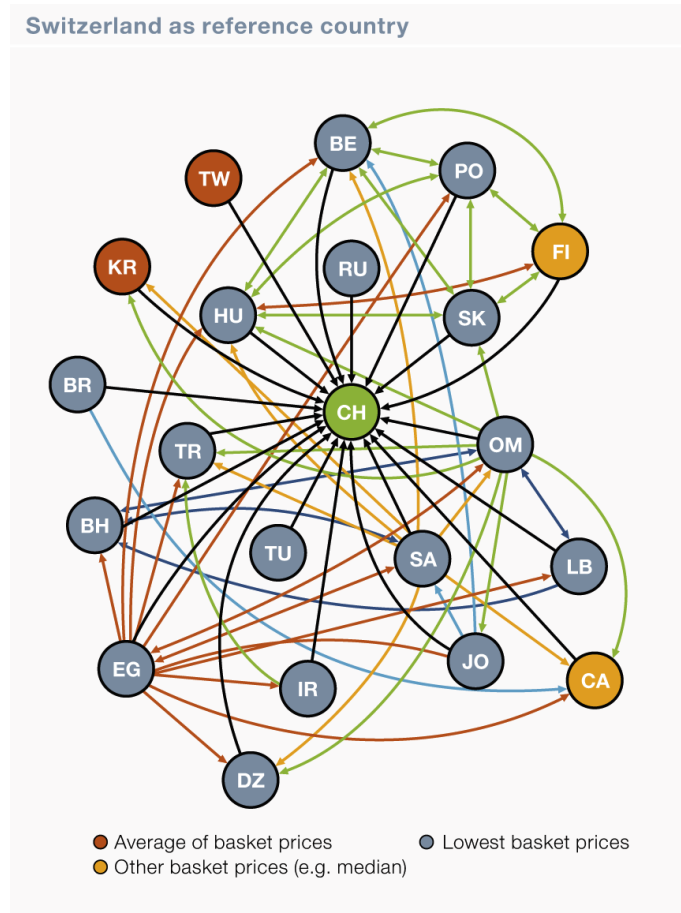
# Price comparisons of European states



Source: IMS Health; EFPIA.



# ● Switzerland as reference country



Source: The international impact of Swiss drug regulation, Charles River Associates, study on behalf of Interpharma and Novartis, March 2013, Interpharma, 2015.



Thank you.

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