

Newsletter July 2013 for Health & Life Science Industry

Law & Politics in Switzerland

Update on the Swiss pharmaceutical reimbursement- / pricing-scheme

by Dr Andreas Wildi

Throughout the 1st half of 2013, the pharmaceutical associations and the minister of home affairs, Federal Counsellor Berset – who is in charge of the matter - discussed how to deblock the situation that numerous appeals against the governmental price-lowering decrees in 2012 had created.

As a result of these interactions some companies withdrew their appeals and the prices of the pharmaceuticals in question were lowered as per 1st July 2013. Some concessions were made by the government: a slightly faster admission process - which has the downside that it could lead to more negative decisions due to restricted exchange between the Swiss Federal Office of Public Health (BAG) and the applicant - and an easier admission to the positive reimbursement list for new indications of already listed drugs.

One can live with this outcome but excitement on both sides will hardly arise. Yet again, the Swiss reimbursement- / and pricing-scheme is not being put on a legal basis which permits both pharmaceutical companies and the operational BAG units to have a sufficient level of clarity and precision for their complex task to agree on justified pharmaceutical prices.

However, it was a clever move by the Swiss Government not to have been too creative at this stage. An optimal but mere adaptation of the current pharmaceutical reimbursement and pricing system might have cushioned the willingness on industry's side to collaborate with the Swiss Government on a new system.

This new pharmaceutical reimbursement and pricing system is expected no earlier than 2015. The Swiss Government is faced with the very basic yet hugely complex strategic question what position Switzerland shall take in the international pharmaceutical pricing discussion, and whether such a new system shall be focused on pharmaceuticals only or cover all medical provisions covered by the Swiss Social Healthcare Insurers.

Theoretically and in line with the spirit of neutrality, the basic variant of a new system is the current system: Switzerland pays what others pay and declares impotence and prejudice due to the globally playing potent Swiss pharmaceutical companies. The Federal Council only had to alter some current covert-articles to fully unveil the factual status quo. It would do him proud.

If the Swiss (government) strive for more and aspire to be not only a leader in developing and producing world class pharmaceuticals but also in having a world class view on the difficulties around their reimbursement, the country has a good chance to act more credible and clearer sighted than in the banking sector. Pharmaceutical prices might be justified. They might also be a big bubble, nobody knows today, and we better hurry up knowing soon and adapting costs, structures and processes if necessary.

A complex issue can either be faced with very simple measures or with a complex evaluation-system. The go-between is both uneconomic and noncredible.

So far, Federal Counsellor Berset, a good tactician, has primarily observed the sector. The magnitude of the challenge will be his largest obstacle. The lure is tempting to go for small alterations of the current system instead of tackling the issue strategically. It has always been strength and weakness of Swiss Policy not to hasten down every new road. The road to limited public healthcare resources is unfortunately not so new for Western Europe let alone for the rest of the world. One can either try to escape it with political tricks or one can have the courage to address the problems and to aim for goals which make Switzerland trustworthy (again) as a payer, as the host to many life science industry players and as worldwide advisor on stringent structures and processes to secure egalitarian access to best pharmaceutical treatment.

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