

The price of a medicine in Switzerland

*Dr Alexander Ressos, TEP
Attorney-at-Law (Switzerland), Solicitor (Hong Kong),
Solicitor (England & Wales)*

Once Swissmedic has authorised a medicine, its reimbursement by the compulsory health insurance depends on its inclusion in the list of specialities, a positive list maintained by the Federal Office of Public Health. The Federal Health Insurance Act requires that reimbursed services be effective, appropriate and cost-effective, criteria that are usually abbreviated in German as WZW.¹ The office decides on admission and price after consulting the Federal Medicines Commission, an advisory body that includes representatives of doctors, pharmacists, insurers, patients and industry.

The price is determined by two comparisons. The external reference price is based on the ex-factory prices in a basket of nine European countries, among them Germany, France, Austria, the Netherlands, Belgium, Denmark, Finland, Sweden and the United Kingdom. The therapeutic cross-comparison sets the new medicine against existing treatments for the same indication in Switzerland, taking into account their costs and their therapeutic benefit, with an innovation premium possible for genuine therapeutic progress.² The listed prices are reviewed every three years. In each review the exchange rate used for the external comparison has a considerable effect on the result. A strong franc reduces the converted foreign prices and therefore the Swiss price. This mechanism has given the pharmaceutical industry a particular interest in the exchange-rate policy discussed in Part D.

Swiss medicine prices have long been perceived as high, both by the public and by politicians who see the steady rise of health insurance premiums. Comparisons by the Federal Office of Public Health, the association of health insurers and the industry regularly show that patented medicines in Switzerland cost roughly as much as in the reference countries after the conversion of currencies. Generics and off-patent originals remain markedly more expensive than abroad.³ The Federal Council has adopted

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several packages of measures to contain health costs, which have included lower generic prices, a differentiated retail margin and incentives for the substitution of originals by generics.⁴

1 Notes

1. Art. 32 and 52 of the Federal Health Insurance Act (Bundesgesetz über die Krankenversicherung, KVG) of 18 March 1994, SR 832.10, and the Ordinance on Health Insurance (KVV) and the Ordinance of the Federal Department of Home Affairs on Health Care Services (KLV) on the list of specialities. To be verified. ↩
2. Art. 65b KVV on the assessment of cost-effectiveness through an external price comparison with reference countries and a therapeutic cross-comparison, with weighting between the two; the reference basket of nine countries according to the KLV. Composition and weighting to be verified. ↩
3. Annual price comparison carried out jointly by santésuisse (or its successor organisations) and Interpharma on medicine prices in Switzerland and the reference countries; results vary by year and exchange rate. Figures to be verified. ↩
4. Federal Council, cost-containment packages 1 and 2 (Kostendämpfungspakete) for the compulsory health insurance, with measures on medicine prices, generics and price models; status of parliamentary deliberations and entry into force to be verified. ↩

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