



Comparing Switzerland: Price Benchmarking the Off-patent Segment

17th May 2023

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Aim of the study

The study was conducted by IQVIA on behalf of Interpharma



Comparing 3 off-patent segments...

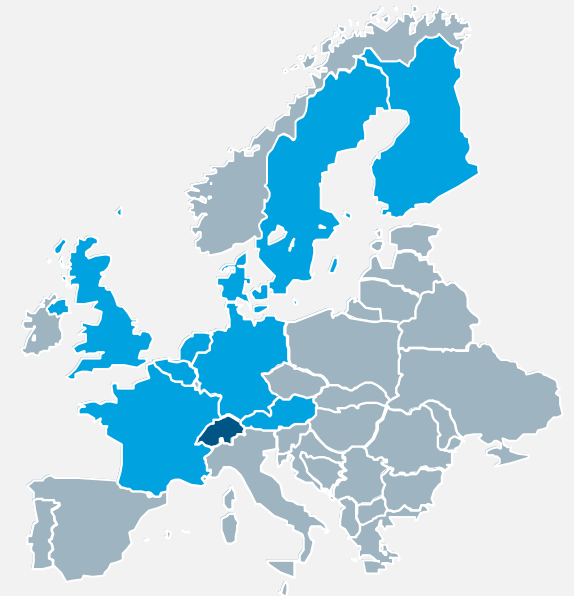
To assess the level of Swiss prices, at ex-manufacturer level (excluding rebates* and discounts) following loss of exclusivity, against a reference basket of international comparators for 3 market segments:

1. Swiss, **off-patent original** synthetic products / biological original reference products with approved biosimilars
2. Swiss, **generic** molecules
3. Swiss, **biosimilar** molecules



...versus 9 international comparators

-  Austria
-  Belgium
-  Denmark
-  Finland
-  France
-  Germany
-  Netherlands
-  Sweden
-  United Kingdom



The study methodology

For the second year biological off-patent original reference products with approved biosimilars are assessed



Summary of approach

1. Selecting international molecules of off-patent, prescription-bound products **in the Swiss retail market** in 2023 with Modalpackung*
2. Applying the Modal prices from February-April and approved Modal prices from May 2023, for each Swiss Modalpackung, **to the total pack volumes** for the last 12 months
3. **Comparing with 9 reference countries:** AT, BE, DE, DK, FI, FR, NL, SE, and UK
4. Calculating average **volume weighted price per counting unit** for each molecule-form-strength and converting into CHF for reference countries
5. Applying match condition for availability of molecule-form-strength in **at least 3 reference countries**



Data sources

- **Sales, volumes and prices (Jan 2023)** for reference countries, from the IQVIA Pricing Insights database
- **Official BAG exchange rates of price review in 2022, sourced from the Swiss Federal Office of Public Health (avg. Jan 2021 - Dec 2021)** and 12-month average exchange rates (Mar 2022 - Feb 2023) from the Swiss National Bank (SNB)

Exchange rates used:

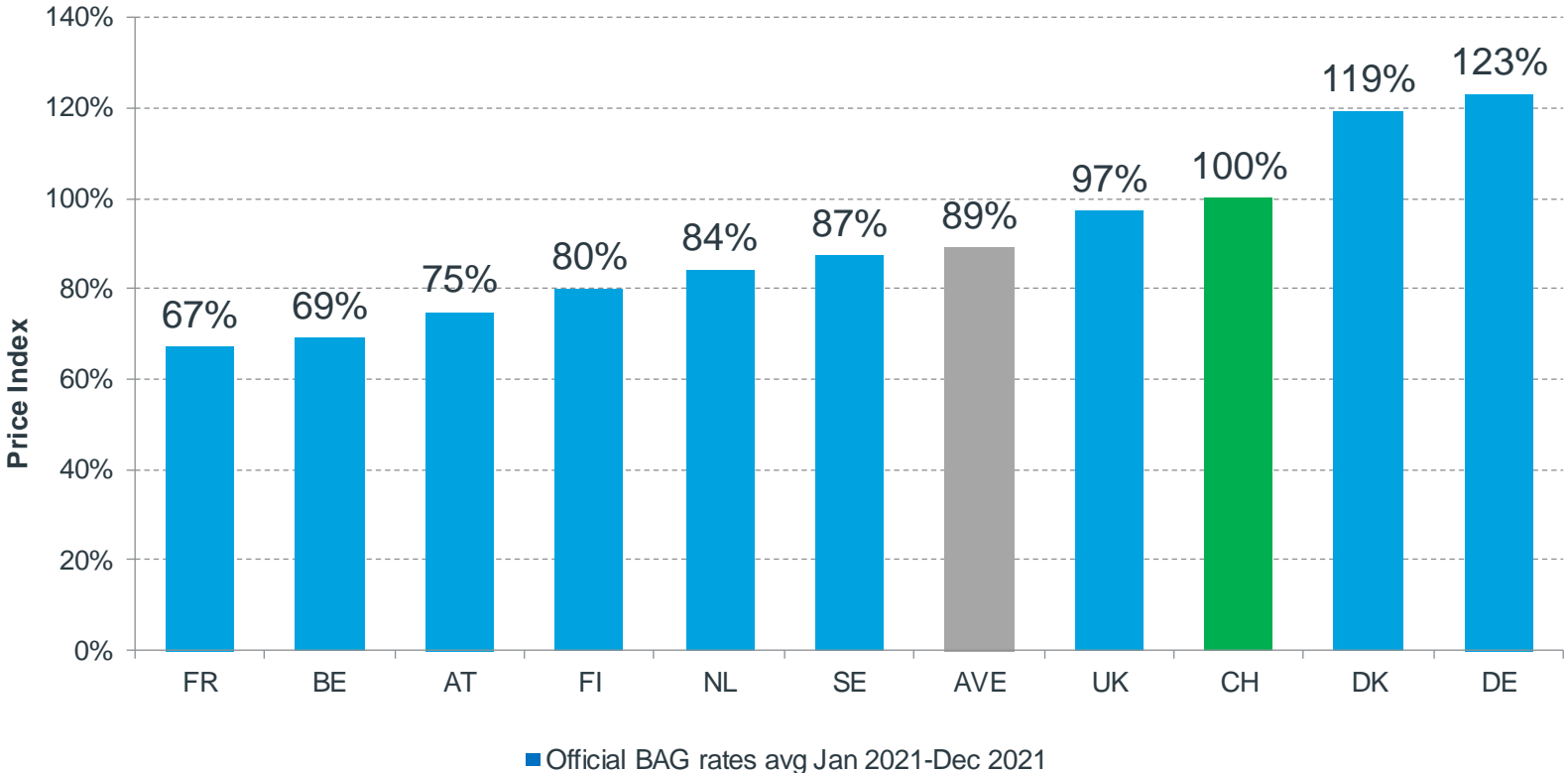
LC1: CHF	DKK	EUR	GBP	SEK
Official BAG exchange rates of price review in 2022, average Jan 2021 - Dec 2021	0.1454	1.0800	1.2600	0.1066
12-month average exchange rates, March 2022 - February 2023 (SNB)	0.1340	0.9970	1.1593	0.0928

For Off-patent original products (synthetic and biological), the 2023 reference country average is 11% lower than the Swiss benchmark

In the previous year's study, the average for the reference countries was at 85%

Off-patent original (synthetic and biological)

Official BAG exchange rates of price review in 2022, avg. Jan 2021-Dec 2021

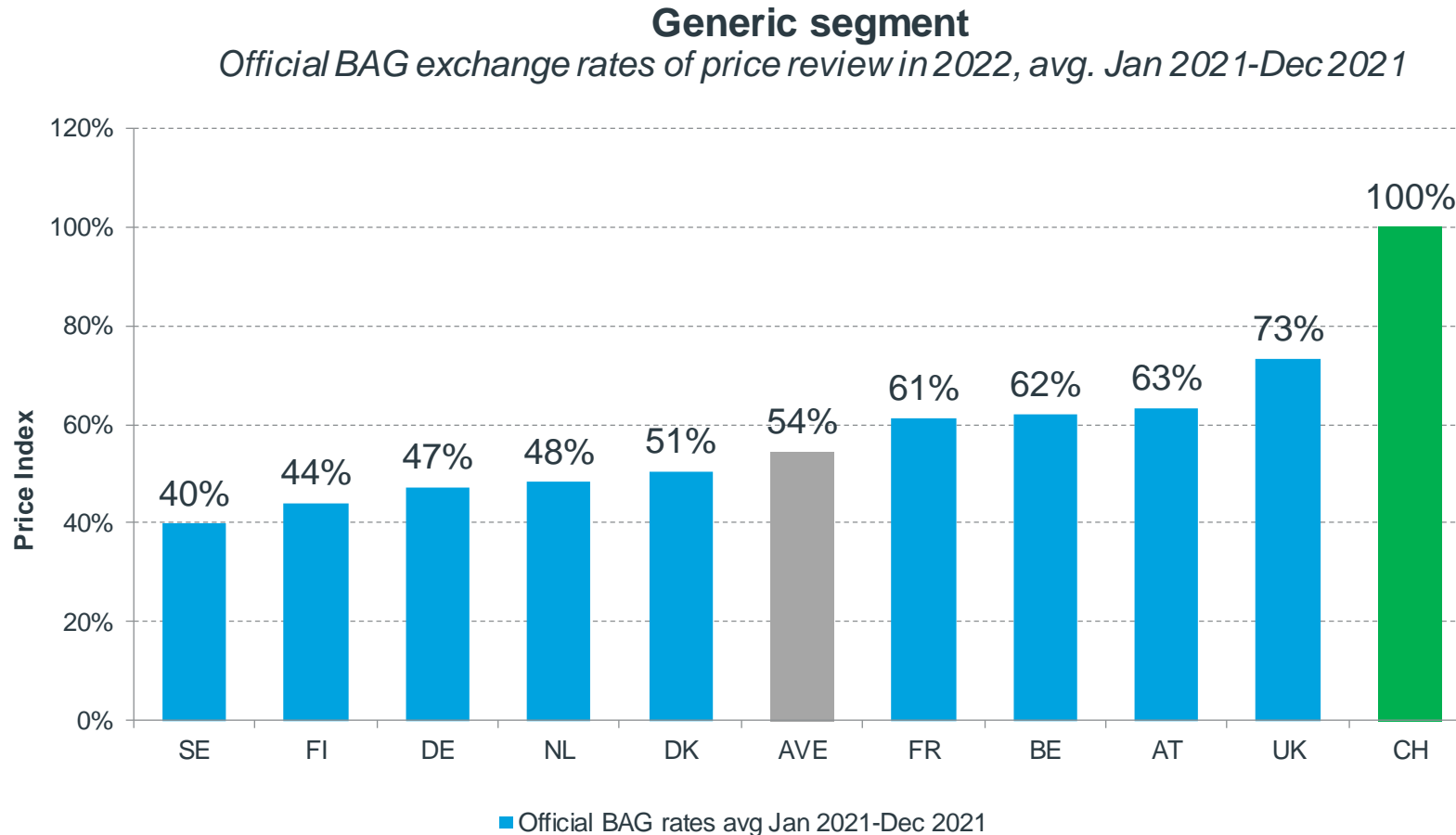


Observations

- The price differential to the reference countries has narrowed: in the previous year, the price gap was 15%
- Price reductions on the Modal packs continue to bring the Swiss Index closer to the reference country average
- Swiss prices for biologic-originators have come down, contributing to a lower price gap

For Generic products, the 2023 reference country average is 46% lower than the Swiss benchmark

In the previous year's study, the average for the reference countries was 52%

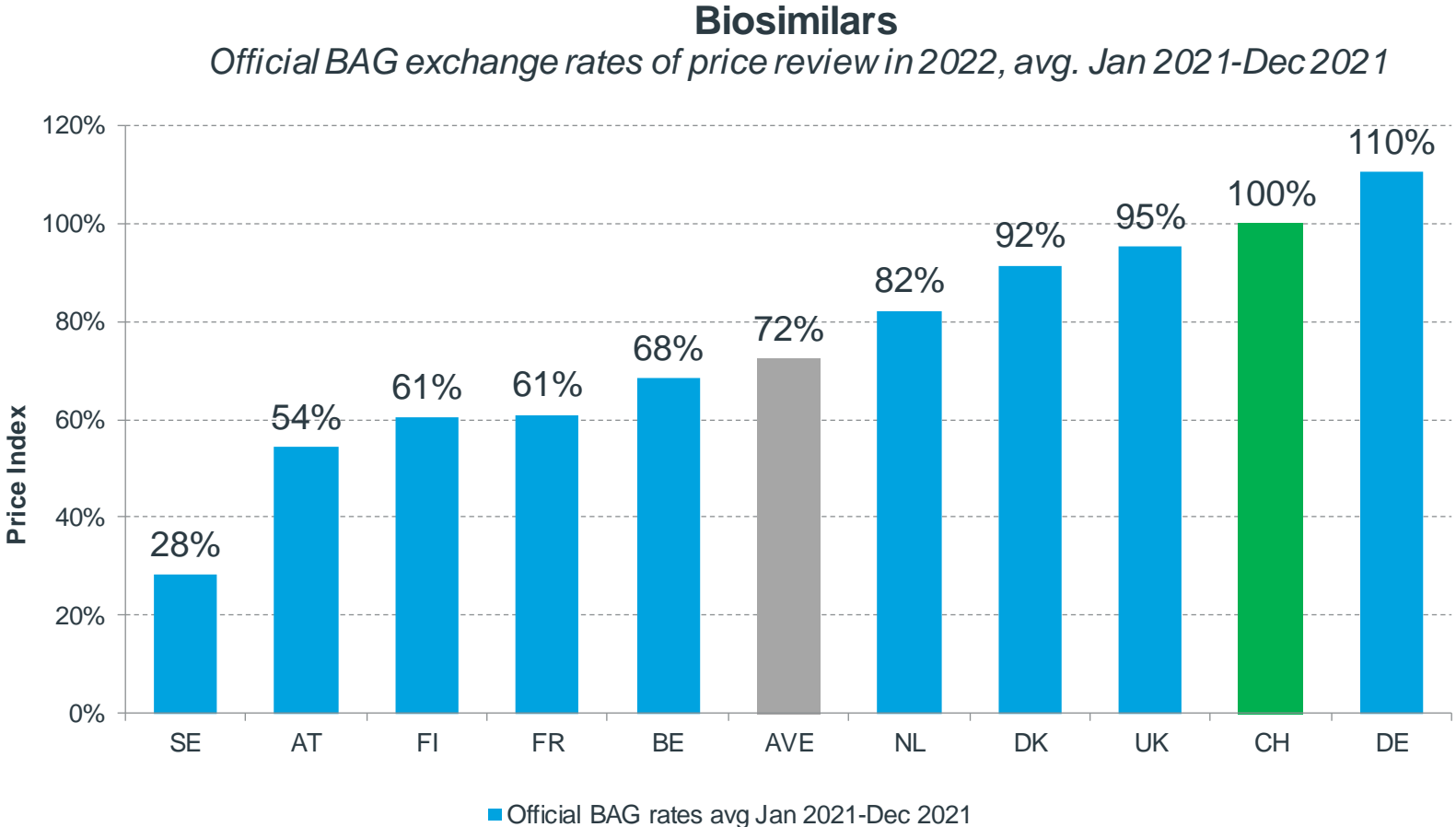


Observations

- Swiss prices of generics continue to be the highest compared to reference countries
- However, the price gap has narrowed slightly from 48% in previous year's study to 46%

For Biosimilars, the 2023 reference country average is 28% lower than the Swiss benchmark

In the previous year's study, the average for the reference countries was at 66%



Observations

- Biosimilars are often subject to significant rebates, not shown in this analysis which is completed at list prices
- Lower Swiss prices contribute to the reference country average moving closer to the Swiss index, with a narrowing price gap from 34% from previous year's study to now 28%

Overall, Switzerland can slightly improve its position in the price comparison with the reference countries



Comments on the results...

- With continuing round of **price reviews**, Switzerland was able to slightly improve its position in the international price comparison with the nine reference countries, narrowing the overall price gap for the off-patent segment from 44% in the previous year to now 39%
- **Exchange rate fluctuations** can influence the indices. In general, a weakening Swiss franc raises the average price index of the reference countries, thus narrowing the price gap with Switzerland
- In summary using BAG exchange rates, the average price index of the reference countries:
 - for patent-expired originator products, increased from 85% in the previous year's study to 89%
 - for generics, increased from 52% in the previous year's study to 54%
 - for biosimilars, increased from 66% in the previous year's study to 72%
 - The pure exchange rate effect amounts to +1 percentage point for off-patent original products, no change for generics, and +1 percentage point for biosimilars

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