



Comparing Switzerland: Price Benchmarking the Off-patent Segment

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Aim of the study

The study was conducted by IQVIA on behalf of Interpharma



Comparing 3 off-patent segments...

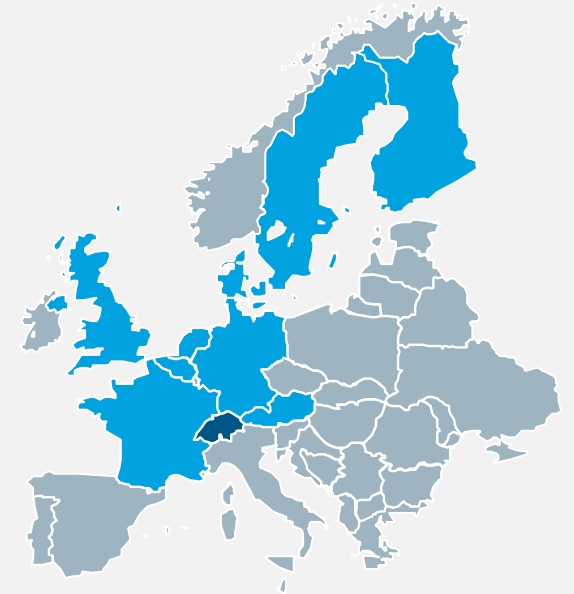
To assess the level of Swiss prices, at ex-manufacturer level (excluding rebates* and discounts) following loss of exclusivity, against a reference basket of international comparators for 3 market segments:

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

Price comparison of Modal packs for off-patent small molecules and biologics (reference products with biosimilars)



Summary of approach

1. Identifying molecules of off-patent, Rx-bound products in the **Swiss retail market** in 2024, with Modalpackung*
2. Calculating the **Swiss Modal price per counting unit** for each Modalpackung
3. Calculating for reference countries, the **average volume weighted price per counting unit** for each molecule-form-strength and converting into CHF
4. Applying a match condition for availability of the same molecule-form-strength in **at least 3 reference countries**
5. Applying the Modal price to the **Swiss 12-month total volumes** for the same molecule-form-strength to calculate value sales
6. Comparing **price and overall price indexes between Switzerland and the reference countries**



Data sources

- **Sourcing sales, volumes and prices (Jan 2024)** for reference countries, from the IQVIA Pricing Insights database
- **Sourcing official BAG exchange rates of price review in 2023, from the Swiss Federal Office of Public Health (monthly avg. Jan 2022 - Dec 2022)** and 12-month average exchange rates (Mar 2023 - Feb 2024) from the Swiss National Bank (SNB)

Exchange rates used:

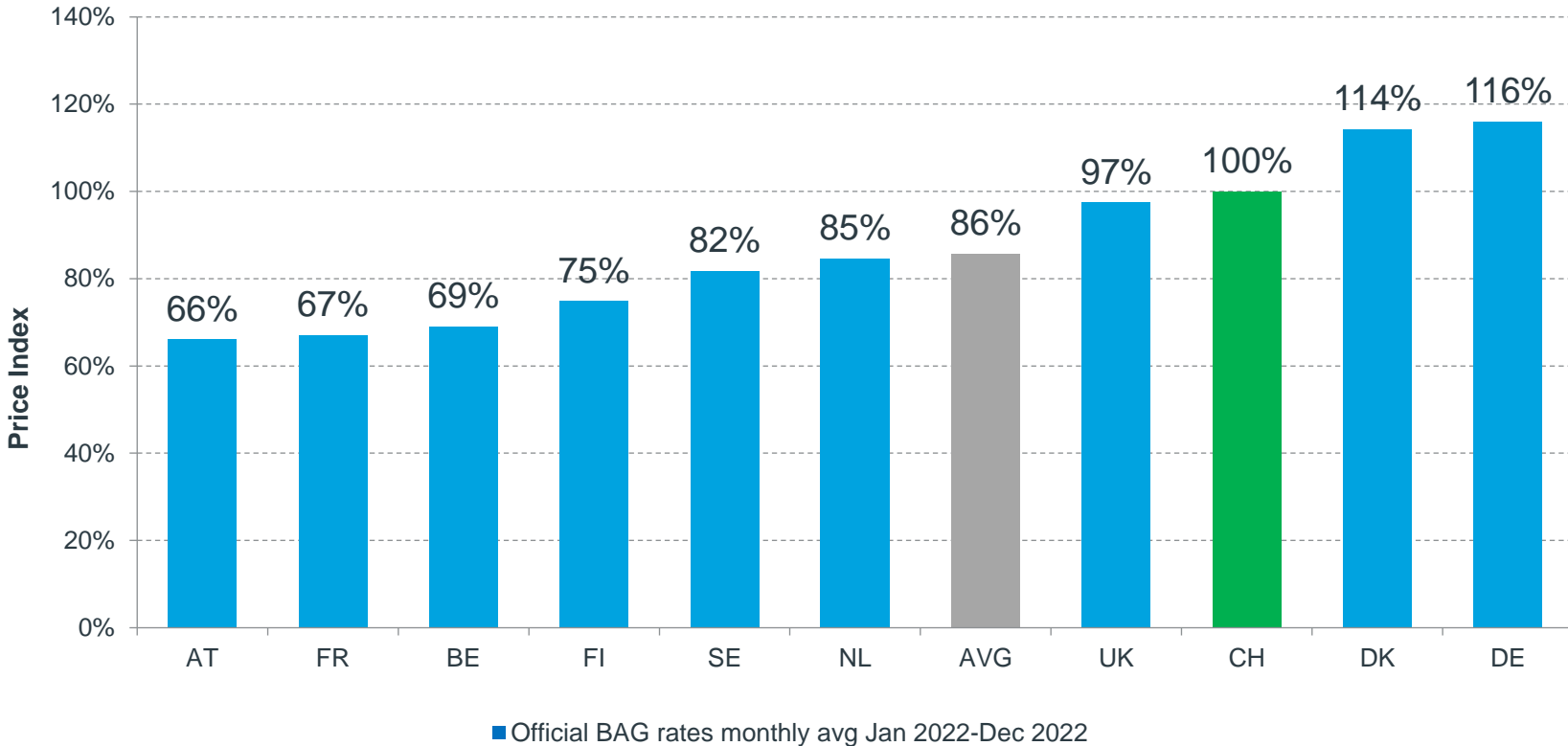
LC1: CHF	DKK	EUR	GBP	SEK
Official BAG exchange rates of price review in 2023, monthly average Jan 2022 - Dec 2022	0.1351	1.0100	1.1800	0.0947
12-month average exchange rates, March 2023 - February 2024 (SNB)	0.1292	0.9600	1.1100	0.0839

* Modal pack is the pack with the highest sales per dose-strength of a commercial form of all medicinal products with the same active ingredient composition. Modal packs for biologics (reference products with biosimilars) in 2024 are assigned by FOPH, independent of sales.
IQVIA Global Supplier & Association Relations analysis (April 2024) | Comparing Switzerland: Price Benchmarking the off-patent segment | May 2024

For Off-patent original products (synthetic and biological), the 2024 reference country average is 14% lower than the Swiss benchmark

In the previous year's study, the average for the reference countries was 89%

Off-patent original (synthetic and biological)
Official BAG exchange rates of price review in 2023

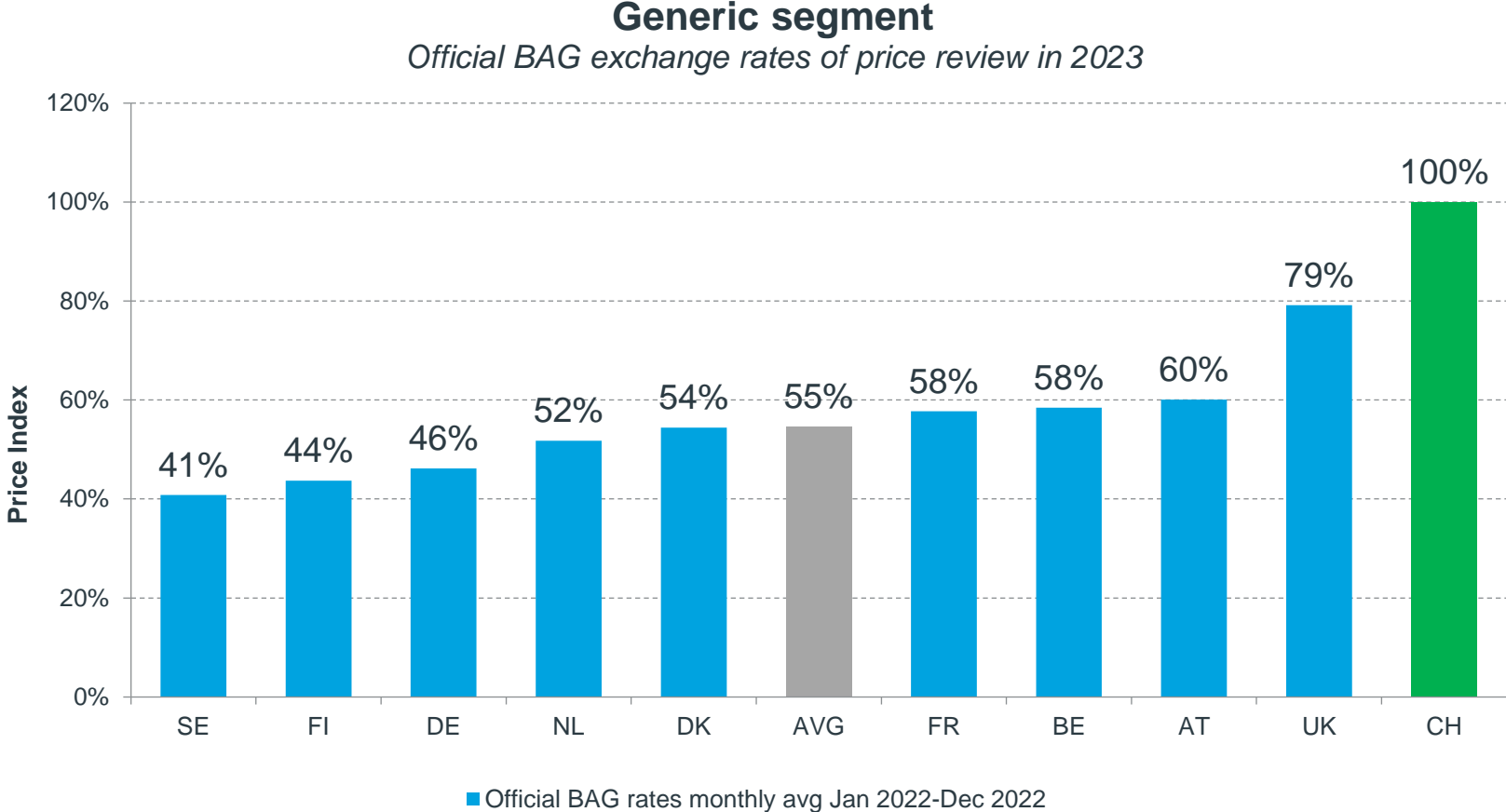


Observations

- Price reductions on the Modal packs are maintaining the Swiss Index close to the average of the reference countries.
- Larger price reductions are seen in Switzerland for reference products with biosimilars, than in other markets.
- At current BAG exchange rates, a stronger Swiss Franc **lowers the average price index to 86%** (-5 percentage points)

For Generic products, the 2024 reference country average moves to 55% of the Swiss benchmark

In the previous year's study, the average for the reference countries was 54%



Observations

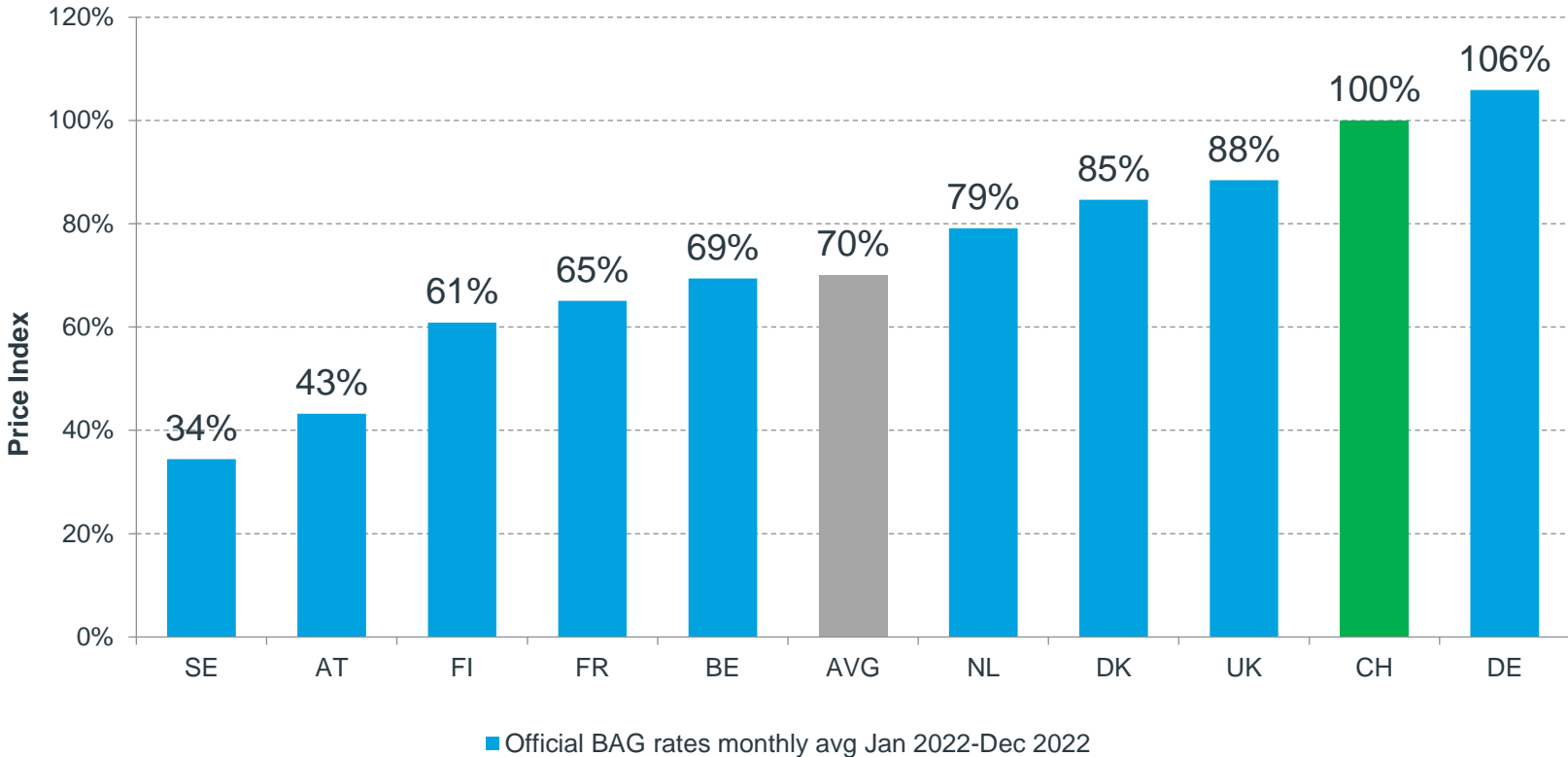
- Swiss prices of generics remain the highest when compared to the reference countries
- At current BAG exchange rates, a stronger Swiss Franc **lowers the average price index by -3 percentage points.**

For Biosimilars, the 2024 reference country average is 30% lower than the Swiss benchmark

In the previous year's study, the average for the reference countries was 72%

Biosimilars

Official BAG exchange rates of price review in 2023



Observations

- Biosimilars are often subject to significant rebates, not shown in this analysis which is completed at list prices
- At current BAG exchange rates, a stronger Swiss Franc **lowers the average price index to 70%** (-4 percentage points)

Overall, Switzerland moves closer to the average of the reference countries in the price comparison for total off-patent segment

The average for the reference countries increases from 61% last year to 67% this year



Comments on the results...

- Switzerland continues to improve its position in the international price comparison with the nine reference countries, narrowing the overall price gap for the total off-patent segment from 39% in the previous year to now 33%
- This year the FOPH assigned Modal packs to biologicals (reference products with biosimilars) and for the first round, these were determined independent of sales.
- **Exchange rate fluctuations** can influence the indices. In general, a stronger Swiss franc lowers the average price index of the reference countries, thus widening the price gap with Switzerland
- In summary using BAG exchange rates, the **average price index** of the reference countries:
 - for patent-expired originator products, decreased from 89% in the previous year's study to 86% this year
 - for generics, increased marginally from 54% in the previous study to 55% this year
 - for biosimilars, decreased from 72% in the previous study to 70% this year
 - The pure exchange rate effect on the average price index this year amounts to -5 percentage points for off-patent original products, -3 percentage points for generics and -4 percentage points for biosimilars

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