Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

Federal Department of Home Affairs FDHA
Federal Office of Public Health FOPH
Health and Accident Insurance Directorate

CH-3003 Bern
FOPH

Registered mail
To all pharmaceutical companies concerned

Bern, 04 December 2021

Implementation of the triennial review of listing requirements in 2021 / Implementation of HTA reports on pharmaceuticals[123]

Dear Sir or Madam

Every three years, the Federal Office of Public Health (FOPH) reviews all pharmaceuticals listed in the List of Pharmaceutical Specialties (SL) to determine whether they still meet the requirements for listing. This letter provides a detailed description of the implementation of the triennial review of listing requirements in 2021. Considering the experience in 2017 - 2020, the FOPH has defined additional rules for conducting the review, in particular with regard to cost-effectiveness. Most of those rules were already announced in the circular for the 2020 review and are described again below. The rules described herein, particularly the rules on the internal reference price (IRP), apply as a rule to all assessments of the criteria of efficacy, appropriateness and cost-effectiveness. Specific rules may apply to assessments in the context of applications for first-time inclusion, changes to limitations, etc.

The second part of this communication now describes the process that the FOPH initiates as soon as a new Health Technology Assessment (HTA) report concerning the SL listing of one or more pharmaceuticals becomes available.

[1] La traduction française de cette lettre sera publiée sur le site internet de l'Office fédéral de la santé publique : https://www.bag.admin.ch/bag/fr/home/versicherungen/krankenversicherung/krankenversicherung-leistungen-tarife/Arzneimittel/Ueberpruefung-der-Aufnahmebedingungen-alle-drei-Jahre.html

[2] La traduzione italiana di questa lettera verrà pubblicata sul sito internet dell'Ufficio federale della sanità pubblica: https://www.bag.admin.ch/bag/it/home/versicherungen/krankenversicherung/krankenversicherung-leistungen-tarife/Arzneimittel/Ueberpruefung-der-Aufnahmebedingungen-alle-drei-Jahre.html

[3] The English translation is available on the website of the Federal office for public health: https://www.bag.admin.ch/bag/en/home/versicherungen/krankenversicherung/krankenversicherung-leistungen-tarife/Arzneimittel/Ueberpruefung-der-Aufnahmebedingungen-alle-drei-Jahre.html

Federal Office of Public Health FOPH
Review of Pharmaceuticals Section
Schwarzenburgstrasse 157, CH-3003 Bern
Tel. +41 (0)58 483 96 48, Fax +41 (0)58 462 90 20
ueberpruefung@bag.admin.ch

Contents

A. Triennial review of listing requirements

1 Frequency of reviews

Under Art 65*d* para. 1 of the Health Insurance Ordinance of 27 June 1995 (KVV/OAMal; SR 832.102), every three years the FOPH reviews all drugs listed in the SL to determine whether they still meet the requirements for listing. To ensure that the three-year review frequency can be complied with, the FOPH has divided all SL pharmaceuticals into three similarly sized units, based on the therapeutic (IT) group they belong to. Each year, one unit is reviewed. Thus, it is assured that around a third of the pharmaceuticals listed in the SL are reviewed per year, and that pharmaceuticals in the same therapeutic group are reviewed in the same year. Under the 21 October 2015 amendment to the healthcare benefits ordinance of 29 September 1995 (KLV/OPAS; SR 832.112.31), the division of therapeutic groups into three units, and the assignment of these units to review years, was specified by the Federal Department of Home Affairs (FDHA) in Art. 34*d* para. 1bis KLV/OPAS.

In 2021, Unit B, containing drugs of the following IT groups, is to be reviewed:

IT group	REVIEW YEAR 2021
1/51	NERVOUS SYSTEM
5/55	KIDNEYS AND WATER BALANCE
6/56	BLOOD
10/60	DERMATOLOGICAL PRODUCTS
13	ODONTOSTOMATOLOGICAL PRODUCTS
14	DIAGNOSTIC AGENTS

A list of the originator products to be reviewed in 2021 is published on the FOPH website.

2 Exemptions

In the following cases, pharmaceuticals in Unit B are exempted from the 2021 triennial review:

- The first triennial review is carried out at the earliest in the second year after listing in the SL (Art. 34*d* para. 2 let. b KLV). Exempted from the review, therefore, are originator products which, as of 1 January 2021, have been listed in the SL for less than 13 months – i.e. which were first listed in the SL on or after 1 January 2020. These originator products in Unit B will not be subject to a triennial review until 2024.
- If an originator product has been reviewed in connection with an extension of indications or an alteration of limitations, in accordance with Art. 65*f* para. 4 KVV, by determination of the external reference price (ERP) and internal reference price (IRP), then the next triennial review is carried out at the earliest in the second year after the extension of indications or alteration of limitations. The next triennial review of the listing requirements for these Unit B originator products for which an extension of indications or alteration of limitations occurred in 2020 will not take place until 2024 (Art. 34*d* para. 2 let. a KLV).
- Originator products listed in the SL for a limited period or with limited-period extensions of the limitation or with indications reimbursed for a limited period are not subjected to a triennial review of listing requirements. Part of Section E.1.2 of the SL Manual will accordingly be revoked. For these pharmaceuticals, a standard application is to be submitted in time prior to the expiry of the specified period. The listing requirements are reviewed in connection with this submission.

3 Online portal

To minimise the effort required for both parties and to shorten communication paths, the FOPH grants access to an online portal where data on efficacy, appropriateness and cost-effectiveness is to be submitted. Relevant documents – such as cover letters, basis for calculations, references, etc. – can be uploaded to the portal in pdf format. Documentation is not to be sent to the FOPH via any other channels (post, e-mail).

For the procedure to run smoothly, the authorisation holder must enter the information in the online portal **on-time**. Under Art. 68 para. 1 let. f KVV, a pharmaceutical will be removed from the SL if the authorisation holder refuses to submit the documentation necessary for the triennial review of listing requirements.

3.1 2021 online portal

The online portal will be accessible from 7 January 2021 at:

https://bag.hcisolutions.ch/Ueberpruefung2021

The authorisation holder's data is protected by a user-specific password. Please note that User IDs and passwords are case sensitive. For your company, the User ID and password are as follows:

User ID:

Password:

For the individual criteria instructions are provided on the online portal.

To ensure that the online portal can be used error-free, the online portal may only be opened in one browser window at a time.

3.2 Previous years' online portal

The 2017 - 2020 portals can still be accessed. The URLs of the websites changed on 1 January 2020. Data entered in the portal in previous years will still be available to authorisation holders at the new URLs with the passwords generated for each of the years in question.

Access data:

Review year	New URL
2017	https://bag.hcisolutions.ch/Ueberpruefung2017
2018	https://bag.hcisolutions.ch/Ueberpruefung2018
2019	https://bag.hcisolutions.ch/Ueberpruefung2019
2020	https://bag.hcisolutions.ch/Ueberpruefung2020

4 Groups of dosage forms

The various dosage forms of a pharmaceutical are divided into **16 different groups** (Section E.1.3 of the SL Manual). A separate assessment of the listing requirements is carried out for each group.

5 Assessment of efficacy and appropriateness

In the triennial review of listing requirements, efficacy and appropriateness are assessed on the basis of Art. 65 and 65*a* KVV.

While approval by Swissmedic is a prerequisite for listing of a pharmaceutical in the SL, it is not in itself decisive for a positive evaluation of efficacy and appropriateness by the FOPH. Reference by the authorisation holder to the approval granted by Swissmedic is not sufficient to demonstrate that the efficacy and appropriateness criteria are met.

Using the online portal, authorisation holders comment separately on efficacy and appropriateness. They are required to report, in particular, changes crucial for the evaluation compared to the last review/listing/alteration of limitations, such as new or updated study results, meta-analyses, guidelines, etc. They can also upload new data and information – in particular, publications on clinical trials.

The FOPH evaluates the fulfilment of the criteria on the basis of the information submitted. It may also take additional information into account (e.g. clinical studies, meta-analyses, Health Technology Assessments [HTA], guidelines, etc.).

6 Cost-effectiveness

6.1 Determination of the external reference price (ERP)

Under Art. 34*a*^{bis} KLV, the ERP is determined on the basis of a comparison with prices in Germany, Denmark, the UK, the Netherlands, France, Austria, Belgium, Finland and Sweden. Comparisons are made with the same pharmaceutical in the reference countries, irrespective of the name, authorisation holder and reimbursement status of the product in the reference country, and irrespective of whether the Swiss authorisation holder can influence the ex-factory price (EFP) in the reference country. Originator products with the same active substance/s and the same dosage form are considered to be the same pharmaceuticals. No account is taken of different indications in Switzerland and the reference countries.

The cut-off date for the ERP is 1 January 2021 (Art. 34*e* para. 1 KLV). For the ERP, the EFP in the various reference countries is taken into account. While the EFP is not published in Denmark, the UK, the Netherlands, Finland or Sweden, pharmacy purchase prices (Netherlands, Denmark, Finland, Sweden) or wholesale prices (UK) are publicly accessible. For these reference countries, the EFP can be calculated by deducting the following wholesale margins, as specified in Art. 34*b* para. 1 KLV:

- Denmark: 6.5% of the pharmacy purchase price
- UK: 12.5% of the wholesale price
- Netherlands: 6.5% of the pharmacy purchase price
- Finland: 3% of the pharmacy purchase price
- Sweden: 2.7% of the pharmacy purchase price

The (publicly known) mandatory manufacturer's rebate in Germany is also taken into account for the ERP (Art. 65*b* para. 4 KVV in conjunction with Art. 34*b* para. 2 KLV). This generally amounts to 7% for originator products (5.88% after sales tax) and 16% for off-patent originator products (13.44% after sales tax).

If the authorisation holder can demonstrate that the actual wholesale margin, or the actual manufacturer's rebate, differs from the values given in Art. 34*b* para. 1 and 2 KLV, then the actual wholesale margin, or the actual manufacturer's rebate, will be deducted (Art. 34*b* para. 3 KLV). Confirmations of the price provided by the authorisation holder in the reference country, an authority or an association is to be uploaded to the portal as supporting documentation; these should also document divergent wholesale margins and/or any divergent manufacturer rebate. If the authorisation holder receives no information from a country on the EFP or the wholesale margin, then the above-mentioned wholesale margins are to be used.

Wholesale margins of 0% will not be accepted. If a foreign authorisation holder claims direct distribution and cannot document the level of the actual wholesale margin, then the following minimum margins are applicable (Section E.1.7 of the SL Manual, with cross-reference):

- Denmark: 3% of the pharmacy purchase price, but not more than DKK 224 for patented originator products; 5% of the pharmacy purchase price, but not more than DKK 224 for off-patent originator products
- UK: 2% of the wholesale price
- Netherlands: 6.5% of the pharmacy purchase price, but not more than EUR 30
- Finland: 3% of the pharmacy purchase price, but not more than EUR 30
- Sweden: 2.7% of the pharmacy purchase price, but not more than SEK 167

The EFP in the reference countries is converted to Swiss francs on the basis of a yearly average (Swiss National Bank) exchange rate determined by the FOPH (Art. 34*c* para. 2 KLV). For the triennial review of listing requirements in 2021, the average exchange rates for the period January 2020 to December 2020 are applicable, published by the FOPH by 6 January 2021 at the latest. The exchange rates are

available on the online portal.

Serving as a basis for determination of the ERP is the **highest-selling** package in a group over the last twelve months in Switzerland (Art. 65*d* para. 2 KVV in conjunction with Art. 34*c* para. 2 KLV). To determine the highest-selling package, the FOPH can request the authorisation holder to provide the relevant sales figures.

The authorisation holder must report to the FOPH, via the online portal, by **15 February 2021** the EFP applicable on 1 January 2021 for the highest-selling package in each group in the reference countries (Art. 34*e* para. 1 KLV), as well as uploading confirmations of the price from all the reference countries.

6.2 Determination of the internal reference price (IRP)

6.2.1 Choice of comparators

To determine the IRP in accordance with Art. 65*b* para. 2 let. b KVV, comparisons are made with originator products which are listed in the SL at the time of the review and used to treat the same medical condition (Art. 34*f* para. 1 KLV).

Use in the same indication (therapeutic alternative) is the factor determining the choice of comparator. This can be the case particularly for drugs with the same class of active compound. Pharmaceuticals with other classes of active compound can, however, also be taken into account for the purposes of the IRP if advisable.

Pharmaceuticals used in different lines of treatment do not count as treatment alternatives. This does not apply to pharmaceuticals which because of lower efficacy and/or tolerability are only reimbursed in a later line of treatment. To determine the IRP in these cases, pharmaceuticals from the earlier line of treatment can also be included, provided they cost less than the pharmaceuticals used in the later line of treatment. This is because there is no justification for a therapy that is only used in a later line of treatment on the grounds of lower efficacy or tolerability being more expensive than a therapy with better efficacy and tolerability.

The prescribing information, the SL (limitations) and national and international guidelines are taken into account for the purpose of selection. The comparison group may also comprise only a selection of possible comparators – in other words, it need not be made up of all the candidate (i.e. comparable) pharmaceuticals. In particular, exceptionally expensive products of equal efficacy can be excluded from the comparison (Federal Supreme Court ruling BGE 143 V 369).

Likewise relevant for the choice of comparators is the pharmaceutical form, or affiliation to a particular group (cf. Section 4 above, “Groups of dosage forms”). For example, oral forms are compared with oral forms, parenteral with parenteral, etc. Comparison with other pharmaceutical forms is possible if no comparators in the same form are listed in the SL and thus assigned to the same group. Pharmaceuticals in the oral and oral delayed release groups can be compared with pharmaceuticals in the oral and oral delayed release groups if they constitute treatment alternatives and the comparison correlates with the most beneficial price. For example, a pharmaceutical in the oral group can be compared with pharmaceuticals in the oral and oral delayed release groups if the specified conditions are met.
In the assessment of patented originator products, research and development costs are generally taken into account; accordingly, they are normally compared with patented originator products. If off-patent originator products are also to be considered in the determination of the IRP for patented originator products, the prices of these pharmaceuticals before the first price reduction following expiration of the patent will be taken into account for the IRP; if an assessment took place after the expiration of their patent in accordance with Article 65*e* KVV, the prices before the price reduction will be taken into account in the context of this assessment (Section E.1.9 of the SL Manual).

Off-patent originator products are compared with off-patent originator products (Section E.1.9 of the SL Manual).

If a patented pharmaceutical is compared with a combination of more than one pharmaceutical (e.g. Drug A and Drug B) for the purposes of the IRP, consideration has to be given to whether the patent for the comparators has expired or not (this rule does not apply to combination drugs [fixed-dose

combinations or FDCs]; for these see the separate rules below):

a) The comparators are still patented: The current prices of the comparators are taken into account.

b) One comparator is still patented (e.g. Drug A) and the second is off-patent (e.g. Drug B): The current prices of the comparators are taken into account, including Drug B, which is off-patent.

c) Both comparators are off-patent: For the pharmaceutical (e.g. Drug A) whose patent expired later, the price before expiration of the patent is taken into account. For the other pharmaceutical (Drug B), the current price is taken into account.

The authorisation holder must indicate to the FOPH whether a post-patent-expiration review (in Article 65*e* KVV) has been carried out for the pharmaceutical marketed. If such a review has taken place, the date of the review is to be indicated. In addition, details of the relevant patents and their expiration dates are to be provided to the FOPH. The FOPH will consider patents entered by the authorisation holder in the online portal by 15 February 2021.

If an originator product is a “me-too” product, offering no therapeutic improvement over the existing originator product listed in the SL, the research and development costs are not taken into account, irrespective of the patent status (Art. 65*b* para. 6 KVV). Determination of the IRP involves comparison with off-patent originator products. Pharmaceuticals approved by Swissmedic as products with a known active pharmaceutical compound and not listed as generics in the SL are also considered to be “me-too” products and are assessed as such. “Me-too” products and products with a known active pharmaceutical compound can also be included in the determination of the IRP for off-patent originator products.

In the case of pharmaceuticals with a number of different indications, the IRP is determined for the main indication. The authorisation holder must report the main indication to the FOPH and provide a justification based on prevalence statistics (Section E.1.9.1 of the SL Manual). The FOPH has the option of setting terms and requirements for further indications so that the pharmaceutical also meets the efficacy requirement for these indications (Section E.1.9.1 of the SL Manual). If the price level for a secondary indication is lower than the cost-effective EFP newly calculated for the main indication, reimbursement can be set separately for this specific indication. These different reimbursements can then be made by way of a reimbursement model defined as a requirement under Art. 65 para. 5 KVV/OAMal.

The price of the pharmaceutical under review itself and other formulations of the same pharmaceutical are not taken into account in the IRP level calculation (Federal Administrative Court ruling C-6105/2013 of 13 February 2017). Co-marketing medicines for which the basic preparations are listed in the SL are likewise not taken into consideration for the IRP.

If a comparator product is the subject of an appeal, the comparator product is usually taken into consideration for the IRP, although exceptionally expensive comparators of equal efficacy may be excluded from the comparison (see above). However, when the review is concluded, a condition will be imposed requiring the price to be reviewed again if the prices of the comparator that is the subject of the appeal have to be altered as the result of a court judgement. In this case the FOPH will take into consideration the new price of the comparator that is the subject of the appeal. When the subsequent review is performed, the prices of further comparators taken into consideration for the triennial review of listing requirements and the prices in the reference countries will be considered unchanged.

Combination drugs (fixed-dose combinations):

Combination drugs are deemed to be “me-too” products under the terms of Art. 65*b* para. 6 KVV/OAMal. The IRP is established taking the following criteria into account.

Under Section C.8.1 of the SL Manual, the IRP of combination drugs is established in line with the single preparations on the SL with the active compounds contained in the combination drug, provided that these single preparations are already authorised for combination and reimbursed. Under Section C.8.1.3 of the SL Manual, comparable combination drugs are taken into account in the establishment of the IRP provided that they are authorised and must be reimbursed for treatment of the same medical condition. The FOPH can also take other single preparations into account to establish the IRP, particularly if these

have been used as comparable therapies in head-to-head studies and must be reimbursed for the indication in question. Section C.8.1.3 of the SL Manual is hereby rescinded so that since 2020, combination drugs are generally to be compared with the single preparations with the same active compounds that in combination are authorised for treatment of the same medical condition. This takes account of the principle that a combination drug should not cost more than the combination of single preparations. If the SL contains no corresponding single preparations, the IRP can be determined using other combination drugs for treating the same condition or single preparations that are comparable in terms of their efficacy.

The IRP using a combination of single preparations is established as follows:

a) All active compounds are still patented (Section C.8.1.1 of the SL Manual): If all the active compounds for a combination drug are still patented, the costs of the combination drug must not exceed the total costs of the single preparations that are still patented.

b) Not all active compounds are still patented (Section C.8.1.2 of the SL Manual, rules for biopharmaceuticals): For originator products with a combination of active compounds, each of which is already covered by health insurance and where a component is no longer patented, a “100 per cent plus a maximum of 50 per cent” applies. In other words, 100% of the patented component/s and up to 50% of the off-patent component/s are included in the calculation of the price. The 50 per cent is calculated on the basis of the average price of the generics on the SL. If the comparison is to include a biopharmaceutical whose patent has expired, the 50 per cent is calculated on the basis of the average price of the biosimilars on the SL. If the SL does not include any generics or biosimilars, the calculation is done on the basis of 50 per cent of the price of the originator or reference product.

c) All active compounds are off-patent: If all the active compounds for a combination drug are off-patent, the costs of the combination drugs must not exceed the total average costs of the single preparations with the same active ingredients. To calculate the average costs of the single preparations with the same active compounds, both the originator or reference products and the generics or biosimilars are taken into account.

The comparison of combination drugs with single preparations is done on the basis of the smallest package with the lowest dose strength, unless the smallest package with the lowest dose strength does not allow an adequate comparison, for example because the lowest doses of the combination drug and the single preparation(s) do not match.

If the single preparations with the combination drug’s active compounds are not authorised for combination, and if the combination of these active compounds through a combination of single preparations has until now not been reimbursed accordingly, the IRP is determined on the basis of other single preparations or combination drugs for the treatment of the same medical condition.

6.2.2 Establishment of the IRP

As a rule the IRP is established on the basis of the smallest package with the lowest dosage strength, unless the smallest package and/or lowest dosage strength does not permit an appropriate comparison, particularly on account of differences in starting dosage or package size of the comparator products (Art. 65d para. 3 KVV). Deviation from the principle of the smallest package and lowest dosage strength is possible, for example, if for one of the products considered in the comparison, the lowest dosage strength is only required for initial dose titration, or if a comparator is not available in a small package (Section E.1.9 of the SL Manual, with cross-reference). Deviation is also possible if a dosage strength is only used for a dose reduction specified in the prescribing information for the avoidance of adverse effects or for the treatment of specific patient groups, or if individual comparators are subject to flat pricing. In this case, for all originator products considered in the comparison which are not subject to flat pricing, use is to be made of notional daily treatment costs, determined by averaging the costs of the various dosage strengths.

The IRP is generally established on the basis of daily, monthly or yearly treatment costs, or the costs of a course of treatment. The IRP is based on daily, monthly or yearly treatment costs in cases of long-term therapy or if the treatments to be compared are administered for the same length of time. In cases where

treatments of different duration produce comparable effects, the costs of a course of treatment are considered (e.g. antibiotics or cytostatics). For calculations of treatment duration, a year consists of 365 days and a month of 30.41666 days.

For the IRP, the average maintenance dose, as specified in the prescribing information, is normally taken into account. If, from the prescribing information, a recommended or usual dose is clearly apparent as being a maintenance dose, this dose should be taken into account. If this is not the case, the entire dose range specified in the prescribing information can be taken into account, unless, for example, comparable maintenance doses from a direct comparative study can be taken into account. In the case of dose ranges, the average is employed. If the average maintenance dose is not clearly apparent from the prescribing information, dose equivalents can be derived from guidelines, clinical trials or foreign registration documents.

Since 2020, **whole** ampoules, vials or bottles of parenteral products have been used for IRP purposes, particularly for oncological agents and therapies with a limited duration in which the opened packages are not still usable in the new therapy cycle (e.g. cytostatic agents), even if whole ampoules vials or bottles would not be needed in light of the average maintenance dose. Exceptions are possible if it is apparent from the information in the Other information (shelf life) section of the prescribing information that opened ampoules, vials or bottles can be kept for long enough to still be usable in the continuation of the therapy (e.g. in the next cycle of cancer treatment).

In these cases, deviation from the principle of the smallest package with the lowest dosage strength is possible if several dosage units and/or dosage strengths have to be used to reach the target dosage per administration. In this case the most suitable package or the most suitable combination of packages that produces the least waste and is the least expensive must be taken into consideration. If the combination of packages with the least waste is not also the least expensive option, the least expensive package or combination of packages will be taken into consideration when establishing the IRP.

For orally administered therapies with a limited duration of use (e.g. cytostatic agents), opened packages are only considered in full in the last cycle since in the preceding cycles an opened package can still be used in the next cycle.

If dosing is based on bodyweight or body surface area, the following average values are generally used for adults:

	Adults	**Women**	**Men**
Body surface area[4]	1.79 m^2	1.71 m^2	1.91 m^2
Weight[5]	72 kg	65 kg	80 kg

6.2.3. Reporting of the IRP

The authorisation holder must report the IRP to the FOPH by **15 February 2021**, and also enter or upload to the online portal all data and references used for the comparison (Art. 34*f* para. 2 KLV). In a separate letter, the authorisation holder must justify to the FOPH, in particular, the selection of pharmaceuticals and the dosages considered for the IRP. The calculation of the IRP level must be comprehensible for the FOPH; a tabular representation is desirable, as in the following example:

[4]Sacco JJ et al, The Average Body Surface Area of Adult Cancer Patients in the UK: A Multicentre Retrospective Study, PLoS ONE, 2010 Jan 28;5(1): e8933.

[5] Federal Statistical Office, 2017

Pharmaceutical/package size	Active substance	Average dosage considered	EFP	Daily treatment/ course costs
Phenomenon 10 mg 20 units	*Fantasia*	*25 mg once daily*	*CHF 13.20*	*CHF 1.65*
Exemplia 20 mg 28 units	Idea	20 mg once daily	CHF 29.80	CHF 1.06
Beispieleia 5 mg 30 units	Musterol	5 mg three times daily	CHF 17.65	CHF 1.77
IRP level (average cost of comparators)				CHF 1.415
IRP price Phenomenon 10 mg 20 units				**CHF 11.32**

6.2.4 Changes during the review year

The FOPH takes account of changes in the data required for the IRP and in the EFP applicable for comparators until 1 July of the review year (Art. 34*f* para. 3 KLV).

If the price of the reviewed pharmaceutical changes or if packages of the reviewed pharmaceutical are included on the SL for the first time or removed from the SL, these changes will be taken into account until the date of the decree on the basis of the triennial review. On the online portal any criteria concluded can be revoked by the FOPH to ensure that the new data are correctly presented and taken into account for the review.

6.2.5 No therapeutic alternative

If the pharmaceutical to be reviewed is the only one in the relevant indication, and it is thus widely accepted that no therapeutic alternative is available, then an IRP is not to be determined.

6.3 Example: calculation of the reduction rate

The ERP and the IRP are equally weighted (Art. 65*b* para. 5 KVV).

The reduction rate determined from the IRP is applied to the highest-selling package, with the existing price ratios being maintained:

$EFP_{\text{old highest-selling package}}$ + reduction rate IRP = $EFP\ IRP_{\text{highest-selling package}}$

Next, the cost-effective EFP of the highest-selling package is calculated, and the reduction rate is determined as a percentage:

$EFP_{\text{new highest-selling package}} = (EFP\ ERP_{\text{highest-selling package}} + EFP\ IRP_{\text{highest-selling package}}) / 2$

Reduction rate = $(EFP_{\text{old highest-selling package}} - EFP_{\text{new highest-selling package}}) / EFP_{\text{old highest-selling package}} * 100$

This reduction rate is applied to all packages in the same dosage-form group.

The reduction rate is calculated from the ERP and the IRP, rounded to two decimal places, with the result being expressed to 7 decimal places.

Example

Initial situation:

Oral dosage-form group, two different package sizes

Highest-selling package: 90 tablets

Smallest package: 30 tablets

Step 1: Calculation: ERP for highest-selling package and IRP for smallest package		
EFP_{old} 90 tablets: CHF 95.00	ERP 90 tablets = CHF 80.00	
EFP_{old} 30 tablets: CHF 35.30	IRP 30 tablets = CHF 40.00	Difference: +13.3144476%

Step 2: Calculation: IRP for highest-selling package

IRP 90 tablets = CHF 95.00 + 13.3144475% = CHF 107.6487252, expressed as CHF 107.65

Step 3: Cost-effective price level: 50 : 50 weighting of ERP and IRP

EFP_{new} 90 tablets: **= (CHF 80.00 + CHF 107.65)/2 = CHF 93.825, expressed as CHF 93.83**

Step 4: Determination of reduction rate as a percentage

Percentage reduction rate: (CHF 95.00 – CHF 93.83)/CHF 95.00 * 100 = 1.2315789%

Step 5: Result
The reduction rate is applied to all packages in the same dosage-form group.

EFP_{new} 30 tablets = CHF 35.30 - **1.2315789%**= **CHF 34.8652526, expressed as CHF 34.87**

EFP_{new} 90 tablets = CHF 95.00 - **1.2315789%** = **CHF 93.83**

6.4 Extent of reduction of ex-factory price

If the triennial review of listing requirements indicates that the current highest price does not meet the cost-effectiveness requirement, the FOPH will order that the price be reduced, with effect from 1 December of the review year, to the highest price (retail price) resulting from the assessment of cost-effectiveness based on the ERP and IRP in accordance with Art. 65*b* KVV, in conjunction with the provisions of Art. 67 para. 1^{quater} concerning the distribution component (Art. 65*d* para. 4 KVV).
If no ERP or no IRP can be determined, cost-effectiveness is assessed on the basis of the results of one of the two pricing criteria.

If, after the determination of the ERP and IRP and the weighting of the prices resulting from these two criteria, it is shown that the existing EFP of the drug is below the price level calculated, then no price reduction is ordered by the FOPH.

7 Extension of indications or alteration of limitations in the review year

If use of the prevalence model is requested in connection with an extension of indications or an alteration of limitations, and if the drug is subject to a triennial review of listing requirements in the same year, then the following applies:

The notification of an extension of indications or the application for an alteration of limitations must be completed by no later than the end of May 2021. An application for an alteration of limitations is considered to be completed if the FOPH has issued a decree and any amendment required to the SL (e.g. price reduction, new limitation) has been implemented by 1 June 2021 at the latest. In the period from June 2021, no extension of indications or alteration of limitations using the prevalence model can be ordered for drugs subject to a triennial review of listing requirements in 2021; this is only possible again after the triennial review has been completed. These procedures (extending indications or altering

limitations and reviewing listing requirements every three years) run in parallel independently of one another. The triennial review of listing requirements will be continued even once the extension of indications or alteration of limitations is complete.

If the use of the ERP and IRP is requested in connection with an extension to indications or alteration of limitations, and if the drug is undergoing the triennial review of listing requirements in the same year, both review procedures are continued in parallel. If the procedure to extend indications or alter limitations is completed and the corresponding decree issued before the decree on the basis of the triennial review of listing requirements is issued, the triennial review of the listing requirements for the originator product in question will not be continued. The FOPH will flag the originator product in question accordingly on the online portal.

8 Biosimilars

Biosimilars are considered to be cost-effective if their EFP is at least 10% lower than the EFP of the corresponding reference product applicable on 1 December of the review year or after the reference product has been reviewed (Section E.1.15 of the SL Manual). After the reference product has been reviewed, the FOPH determines the cost-effective price for the biosimilar. After the reference product has been reviewed, the authorisation holders for the biosimilars are informed. In the event of any price reduction, in order to preserve the right to be heard the authorisation holder receives notification and subsequently has an opportunity to comment. In the event of any changes in the EFP of the reference product after the notification has been sent to the authorisation holders of biosimilars, the FOPH informs the authorisation holders concerned in a second notification.

If the FOPH decrees a new limitation for the reference product, or if the existing limitation is altered, the same limitation is also decreed for the biosimilars.

The FOPH decrees the corresponding price reduction and/or alteration of the limitation for biosimilars, taking into account the decreed price and alteration of the limitation for the reference product. For biosimilars, no data needs to be entered on the online portal.

If an appeal is lodged against a reduction in the price and/or alteration of the limitation for a reference product, the decreed price reduction and/or altered limitation is not implemented for the biosimilars with the same composition either. In such cases, the provisions of Art. 67*a* para. 2 KVV/OAMal concerning repayment of surplus revenues during the appeal procedure are also applicable to the relevant biosimilars. This means that authorisation holders for biosimilars are also required to repay any surplus revenues obtained during the appeal procedure (arising from the difference in the EFP during and after the procedure).

9 Co-marketing medicines

After a basic preparation has been reviewed, the FOPH determines the cost-effective price for the co-marketing medicine. A co-marketing medicine is at most cost-effective at the same price as the basic preparation (Art. 66*b* para. 1 KVV). After the basic preparation has been reviewed, the authorisation holders are informed of the result of the review. If a price reduction is necessary, in order to preserve the right to be heard the authorisation holder receives notification and subsequently has an opportunity to comment. In the event of any changes in the EFP of the basic preparation after the notification has been sent to the authorisation holders of co-marketing medicines, the FOPH informs the authorisation holders concerned in a second notification.

If the FOPH decrees a new limitation for the basic preparation, or if the existing limitation is altered, the same limitation is also decreed for the co-marketing medicines.

The FOPH decrees the corresponding price reduction and/or altered limitation for co-marketing medicines, taking into account the decreed price and any alteration of the limitation for the basic preparation. For co-marketing medicines, no data needs to be entered on the online portal.

If an appeal is lodged against a reduction in the price and/or altered limitation of a basic preparation, the decreed price reduction and/or altered limitation is not implemented for the associated co-marketing medicines either. In such cases, the provisions of Art. 67*a* para. 2 KVV/OAMal concerning repayment of surplus revenues during the appeal procedure are also applicable to the relevant co-marketing medicines. This means that authorisation holders for co-marketing medicines are also required to repay any surplus revenues obtained during the appeal procedure (arising from the difference in the EFP during and after the procedure).

10 Generics

In connection with the triennial review of listing requirements, generics are considered to be cost-effective if their EFP is lower than the EFP of the corresponding originator products applicable on 1 December of the review year, or after the originator product has been reviewed, by the following percentages at least (Art. 34*g* KLV):

- 10%, if the Swiss market volume of the originator product and its co-marketing medicines and generics with the same composition per dosage form on average does not exceed CHF 4 million per year during the three years before the review year;
- 15%, if the Swiss market volume of the originator product and its co-marketing medicines and generics with the same composition per dosage form on average lies between CHF 4 million and 8 million per year during the three years before the review year;
- 25%, if the Swiss market volume of the originator product and its co-marketing medicines and generics with the same composition per dosage form on average lies between CHF 8 million and 16 million per year during the three years before the review year;
- 30%, if the Swiss market volume of the originator product and its co-marketing medicines and generics with the same composition per dosage form on average lies between CHF 16 million and 25 million per year during the three years before the review year;
- 35%, if the Swiss market volume of the originator product and its co-marketing medicines and generics with the same composition per dosage form on average exceeds CHF 25 million per year during the three years before the review year.

The FOPH determines the cost-effective EFP for the originator product and the average Swiss market volume of the active compound for the three calendar years preceding the triennial review of listing requirements (Swiss market volume for the years 2018 – 2020) (Section E.1.14 of the SL Manual). Cost-effectiveness is assessed, taking into account the above-mentioned price differentials in accordance with Art. 34*g* KLV, on the basis of the cost-effective price of the highest-selling package of the originator product and of the corresponding package of the generic. The reduction rate determined is applied to all packages/dosage strengths in the same dosage-form group. If a price reduction is necessary, the authorisation holder is notified in order to guarantee the right to a hearing and subsequently has an opportunity to comment. If changes arise for the EFP of the originator product after a notification has been sent to the generics authorisation holders, the FOPH will inform the generics authorisation holders concerned via a second notification.

If the FOPH decrees a new limitation for the originator product, or if the existing limitation is altered, the same limitation is also decreed for the generics.

The FOPH decrees the corresponding price reduction and/or altered limitation for generics, taking into account the decreed price and any alterations of the limitation for the original product. For generics, no data needs to be entered on the online portal.

If an appeal is lodged against the reduction in the price and/or altered limitation of an originator product, the decreed price reduction and/or altered limitation is not implemented for the generics with the same composition either. In such cases, the provisions of Art. 67a para. 2 KVV concerning the repayment of surplus revenues obtained during appeal procedures are also applicable for generics. This means that generics authorisation holders are also required to repay any surplus revenues obtained during the appeal procedure (arising from the difference in the EFP during and after the procedure).

11 Medicines with known active pharmaceutical ingredients

Medicines with known active pharmaceutical ingredients are listed in the SL as generics if their bioequivalence with an originator product is certified by Swissmedic. For products of this kind with generic status, the review takes the form described for generics in Section 10. If bioequivalence is not certified by the regulatory authority, the product concerned is treated in the same way as an originator product. Consequently, the efficacy, appropriateness and cost-effectiveness criteria are assessed by the FOPH in the standard procedure, and cost-effectiveness by determination of the ERP and IRP (Section B.1.2.3 of the SL Manual, with cross-reference). The necessary information is entered on the online portal (cf. the explanations given for originator products in Section 6 of this letter).

12 Deadlines

The deadline for data entry for originator products on the online portal is **15 February 2021**. The FOPH reminds authorisation holders that, under Art. 13 of the Federal Act of 20 December 1968 on Administrative Procedure (APA; SR 172.021), the parties are obliged to cooperate in establishing the facts of the case if they are subject to a duty to provide information or a duty of disclosure.

The FOPH divides the pharmaceuticals to be reviewed into two blocks. The assessment of and dispatch of initial feedback on pharmaceuticals in the first tranche by the FOPH will be completed by mid-February 2021. The assessment of and dispatch of initial feedback on pharmaceuticals in the second tranche is expected to begin around mid-May. The assignment of pharmaceuticals to the two tranches is visible on the online portal in the “blocks” field. Regardless of whether the pharmaceutical is to be assessed by the FOPH in the first or the second tranche, the data must be entered by the authorisation holder by 15 February 2021.

The authorisation holder is usually granted a period of two weeks in which to comment on the FOPH’s assessment of the review of the listing requirements. Extensions of this deadline are only granted in exceptional cases and only once for each reviewed criterion of a pharmaceutical; extensions may not exceed 14 days. The application for the extension must be sent by e-mail, stating the reason, to the handler responsible for the dosage-form group (the responsible handler is shown in the FOPH’s assessment).

If the triennial review of the listing requirements results in an amendment to the SL (price reduction, alteration of limitations or removal, conditions), at the end of the review the authorisation holder has the opportunity to comment the entire review during the concluding legal hearing. The deadline for submitting comments in the concluding legal hearing is two weeks, and cannot be extended. No extensions are granted for the legal hearing.

The FOPH provides advance notification of new prices to the authorisation holders of originator products and pharmaceuticals with known active pharmaceutical ingredients (via the online portal) and to the authorisation holders of biosimilars, co-marketing medicines and generics. Price reduction decrees are sent to all authorisation holders by post.

Authorisation holders are free to forward new prices to wholesalers and service providers. In addition, price reductions are published on the FOPH website.

Any price reductions required for originator products, co-marketing medicines, generics and biosimilars basically take effect on **1 December 2021**. The new prices are published in the first December issue of the FOPH Bulletin.

The following table provides an overview of the schedule for the triennial review of listing requirements in 2021. This information is subject to change.

Cut-off date for EFP in other countries	1 January 2021
Cut-off date for prices, facts relevant for IRP	1 July 2021
Data to be entered on online portal by authorisation holder by	15 February 2021
Correspondence via online portal	From end of February 2021
Notification for generics/co-marketing medicines/ biosimilars	August and September 2021
FOPH sends decree/notification[6]	September and October 2021
Publication of price reductions effective 1 December	End of October 2021
Decreed changes come into effect	1 December 2021
Publication of changes in FOPH Bulletin	December 2021

13 Hotline

In the event of technical problems with the online portal, if a product has been completed prematurely by mistake, or if any other queries arise, please contact the FOPH hotline: +41 (0)58 483 96 48 (09:00 to 12:00 and 14:00 to 16:00).

[6] If the review results in a price reduction, limitation, alteration of a limitation, condition or removal, the FOPH issues a decree. If the pharmaceutical is deemed to still be effective, appropriate and cost-effective without amendment, the FOPH issues a notification.

B. Implementation of HTA reports on pharmaceuticals

Since 2015, as part of the federal government's HTA programme to re-evaluate benefits already being reimbursed by the obligatory health insurance system (OHI), the FDHA has selected topics on which full HTA reports or short reports are written[7].

1 Involvement of the Federal Medicines Commission (FMC)

After the HTA procedure has been completed, the HTA report has been published and the stakeholders have provided feedback on the FOPH website, the authorisation holders of originator products affected by the HTA report are able to submit comments to the FOPH on the HTA report and on the stakeholder feedback. The FOPH issues a written invitation to comment to the authorisation holders of originator products and grants a suitable period of time for submitting comments.

The HTA report is then presented to the FMC at an ordinary meeting. To make it easier for the FMC members to prepare for the meeting, the FOPH produces a fact sheet (analogous to the fact sheets on applications that are otherwise provided for the FMC), taking into account the HTA report, the feedback from the stakeholders and the comments from the authorisation holders. The fact sheet will contain general questions to the members of the FMC that are likely to arise with respect to every HTA report (e.g. whether the FMC calls the listing requirements into question as a result of the report and amendments to the SL listing, such as limitation or removal, are necessary). It is, however, also possible for specific questions to be asked about the HTA report, its conclusions and also specifically about the pharmaceuticals concerned. The members of the FMC thus receive the following documents in preparation for the meeting:

- HTA report
- Feedback from the stakeholders on the HTA report
- Comments from the authorisation holders of the originator products on the HTA report and on the stakeholder feedback
- Fact sheet from the FOPH with a summary of all the above-mentioned documents, including specific questions to the FMC.

The FMC makes its recommendation to the FOPH on whether amendments to the SL are necessary and, if so, which. The FOPH may already suggest a possible limitation in the fact sheet if this is appropriate. It is the task of the FMC to recommend any limitations or to assess the proposal made by the FOPH, as is also the case when applications for inclusion in the SL are assessed.

2 Decision by the FOPH

Once the FMC's recommendation has been issued, the FOPH decides whether the SL listing needs to be amended in response to the HTA report. The authorisation holders receive a written notification of this. The FOPH intends to send the notification at the same time as the notifications concerning other applications handled at the same FMC meeting. Delays cannot, however, be precluded, especially if the FOPH feels that further discussions are necessary.

If pharmaceuticals affected by the HTA report undergo the triennial review of listing requirements at the same time, the response/the notification from the FOPH concerning this review is sent via the corresponding online portal through which the triennial review is conducted. In such cases the FOPH will incorporate the findings of the HTA report and the FMC's recommendation into the triennial review of listing requirements.

Irrespective of whether the FOPH's response is sent as a regular notification or as part of the triennial review via the online portal, the FOPH grants the authorisation holders concerned the participation and party's rights accorded by the Administrative Procedure Act (VwVG/PA; SR 172.021) so that the

[7] The topics can be found at:
https://www.bag.admin.ch/bag/de/home/versicherungen/krankenversicherung/krankenversicherung-bezeichnung-der-leistungen/re-evaluation-hta/themenwah-hta-programm.html

authorisation holders can comment sufficiently on the FOPH's planned decision.

The FOPH's decision on amendment of the SL listing (e.g. limitation, removal of the pharmaceutical) is issued as a decree. If the authorisation holder does not agree with the FOPH's decision, they may contest it before the courts.

3 Generics, biosimilars, co-marketing medicines, parallel imports of medicinal products

If, in addition to originator products, generics, biosimilars, co-marketing medicines or parallel imports of pharmaceuticals are affected by measures resulting from the HTA report, the FOPH also notifies those authorisation holders of its decision in writing before the measure is decreed.

Decrees are sent and the measures are implemented in the SL for all pharmaceuticals simultaneously, irrespective of whether they are originator products, generics, biosimilars, co-marketing medicines or parallel imports of pharmaceuticals. If the authorisation holder of an originator product lodges an appeal against the FOPH's decision, the measures are not implemented for generics, biosimilars, co-marketing medicines or parallel imports of pharmaceuticals containing the same active substances either.

Yours sincerely

Health Insurance Benefits Division
Head of Review of Pharmaceuticals Section

Andrea Rizzi