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GS-EDI

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Public Eye  
Avenue Charles-Dickens 4  
1006 Lausanne

Bern, 16 April 2019

## **Compulsory licences to reduce medicine prices in Switzerland**

Dear Ms Luginbühl,  
Dear Mr Durisch,

Like you, I am concerned about the steady increase in the prices that pharmaceutical companies charge for new medicines. The increasing cost of medicine poses a serious challenge for our taxpayer and premium-funded social welfare system.

As the Federal Council noted to when it responded to parliamentary enquiry 18.3677 Barrile on “taking action to address the rising prices of patent-protected medicines” of 14 September 2018, the Federal Council does not consider compulsory licences to be an appropriate means of reducing medicine prices. The Federal Council considers other cost-cutting measures to be more appropriate in the case of medicines, as it states in the cost containment programme that the Federal Council issued at the end of March 2018 and which is currently being partly implemented in the field of medicines.

Patent protection provides temporary exclusive rights and serves to stimulate investment in innovative products. As regards pharmaceutical products, it facilitates the research and development of new and more effective medicines. In line with this, compulsory licences can only be issued as an exception and in accordance with the relevant legislative requirements. They constitute a last resort to be applied by the government in extraordinary circumstances.

The price for the medicine you provided as an example, PERJETA, was determined under the applicable legislative provisions and criteria. It has been judged to be effective, suitable and cost-efficient and has been accepted on the list of specialties. This makes the medicine accessible to patients, its price is guaranteed and the public interest is protected. It does not meet the criteria for a compulsory licence to be applied. A forthcoming review of the current price is not out of the question.

The Federal Council works continually to further improve the provision of public healthcare and to adapt the framework conditions of the healthcare service to current needs. At the international level, various initiatives are under way to define 'fair prices', taking into account affordability and provision to the public. In-depth discussions regarding the process to determine medicine prices are conducted and new approaches are considered within the framework of the World Health Organization (WHO) or the Organization for Economic Cooperation and Development (OECD). Switzerland participates in these discussions and constantly assesses suitable measures which could help to contain costs in Switzerland. I greatly appreciate receiving relevant proposals from interested parties and the Federal Council's health experts are always willing to discuss such proposals.

Yours sincerely,

Alain Berset  
Federal Councillor