

# Press Release

Zurich, 10am, 20 November 2018

## KOF Healthcare Expenditure Forecast: Growth Rate Remains Relatively High

**KOF continues to expect healthcare spending in Switzerland to rise by 3.8 per cent this year. This growth will edge up to 3.9 per cent in the next two years. The causes of this healthcare spending increase are rising wages and the growing proportion of elderly people. These are among the findings of the twice-yearly KOF Healthcare Expenditure Forecast, which has been compiled with the help of research funding provided by comparis.ch.**

In 2017, nominal wage growth was low and the population as a whole grew more slowly than previously assumed, which caused healthcare spending to rise by a moderate 3.5 per cent. Because healthcare is a personnel-intensive sector, pay rises translate directly into healthcare expenditure increases.

Growth in healthcare spending will accelerate marginally to 3.8 per cent this year. On the one hand, nominal wages and the number of elderly people are rising more sharply than last year. On the other hand, however, the political initiatives taking effect are containing the growth in spending to some extent.

Growth in nominal wages is likely to continue until the end of 2020. The current demographic trend will accelerate slightly and then, from 2020 onwards, will continue to increase but flatline somewhat. Next year should see cost savings – albeit on a modest scale – coming from the measures taken to shift healthcare more from inpatient treatment to outpatient care. Once the cost savings resulting from political initiatives have been factored in, the rate of growth in healthcare spending for both 2019 and 2020 will be 3.9 per cent.

KOF has left its forecasts for the years 2017 to 2019 unchanged since the spring and has extended its forecasting period to include 2020.

Because nominal gross domestic product (GDP) is likely to grow sharply from 2018 onwards, this should slow the relative rise in healthcare expenditure as a share of GDP. This proportion will therefore rise from 12.2 per cent in 2016 to just 12.8 per cent in 2020.

Breaking down healthcare spending into individual categories reveals that auxiliary services – which include laboratory analysis – have continued to grow during the forecasting period. The policy of shifting healthcare more from inpatient treatment to outpatient care is also continuing. In terms of funding regimes the strongest growth is coming from mandatory health insurance and personal payments.

### **Economic significance of the healthcare sector**

Healthcare is becoming an increasingly important sector of the Swiss economy. 7.3 per cent of all employees in Switzerland – measured in terms of full-time equivalents – worked in this sector in 2017. Healthcare accounted for 5.4 per cent of the country's total economic output in 2016.

KOF Healthcare Expenditure Forecast	2017	2018	2019	2020
Year-on-year growth	3.5 per cent	3.8 per cent	3.9 per cent	3.9 per cent
Per-capita spending (CHF)	9,824	10,102	10,397	10,705

#### About the Healthcare Expenditure Forecast

ETH Zurich's KOF Swiss Economic Institute compiles and publishes a twice-yearly forecast of Switzerland's healthcare spending. The spring forecast draws on research funding provided by the **TopPharm** group of pharmacies, while the autumn forecast receives financial support from the internet comparison service **comparis.ch**.

The KOF Healthcare Expenditure Forecast for autumn 2018 – a detailed study (in German) compiled by Marko Köthenbürger and Pauliina Sandqvist – is available on our website here:

<https://www.kof.ethz.ch/en/news-and-events/media/press-releases.html> →

<https://www.kof.ethz.ch/en/publications/kof-studies.html> →

Further information on the KOF Healthcare Expenditure Forecast can be found at:

<https://www.kof.ethz.ch/en/forecasts-and-indicators/forecasts/kof-forecasts-of-swiss-health-care-expenditures.html> →

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