

Press Release

Zurich, 19 November 2019, 10:00 a.m.

KOF Healthcare Expenditure Forecast: Rising Wages Are Pushing up Healthcare Spending

Swiss healthcare spending in 2019 is set to rise by 3.6%, which is slightly higher than in the two previous years. The main reasons for this increase continue to be the modest rise in wages and the growing elderly proportion of the population. Healthcare spending in 2020 and 2021 is likely to increase by 3.3% and 3.6% respectively. These are among the findings of the bi-annual KOF Healthcare Expenditure Forecast, which has been compiled with the help of research funding provided by comparis.ch.

KOF expects healthcare spending to increase by 3.6% in 2019. This forecast has therefore hardly changed from the estimate published back in the spring (3.7%). The official figures for 2017 show that healthcare expenditure rose by 2.9 % in that year, and it is likely to have grown by 2.7 % in 2018.

The growth rate is therefore edging up this year. This can partly be attributed to nominal wages, which are expected to rise slightly faster in 2019, and to the reduction of an invoicing backlog. In addition, the elderly population is expected to grow more rapidly than last year. On the other hand, political initiatives aimed at containing the increase in spending should take effect.

In 2020, the rate of growth in healthcare expenditure will fall slightly to 3.3%. KOF expects spending to rise by 3.6% in 2021, when – according to the KOF Economic Forecast published in October 2019 – growth in gross domestic product (GDP) is likely to be higher again. The increase in the number of elderly people will also continue to accelerate.

Nonetheless, the relatively low growth in nominal GDP from 2019 onwards means that healthcare spending as a share of GDP will rise further from 12.4% in 2017 to 12.9% in 2021.

Overall, the cost of outpatient treatment is likely to increase faster than the cost of inpatient care over the coming years. Long-term care is expected to grow further owing to the increasing number of people requiring care. Spending on auxiliary healthcare services is expected to continue to rise sharply. Among the various funding regimes, the segment of mandatory health insurance is expanding relatively fast.

Economic significance of the healthcare sector

In 2017, 281,590 people were working in the Swiss healthcare sector (measured in terms of full-time equivalents). This amounted to 7.3% of total employment in Switzerland (1992: 4.8%). The healthcare sector's share of the country's total economic output rose further to 7.3% in 2017 (1997: 3.9%).

KOF Healthcare Expenditure Forecast	2017	2018f	2019f	2020f	2021f
Year-on-year growth	2.9%	2.7%	3.6%	3.3%	3.6%
Per-capita spending (CHF)	9,794	9,984	10,261	10,502	10,774

About the study

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 Swiss Pharmacists' Association **pharmaSuisse** and the **Association of Groups of Independent Pharmacies (VGUA)**, while the autumn forecast receives financial support from the internet comparison service **comparis.ch**.

The KOF Healthcare Expenditure Forecast for autumn 2019 – a detailed study compiled by Marko Köthenbürger and Marc Anderes – is available on our website here:

<https://www.kof.ethz.ch/news-und-veranstaltungen/medien/medienmitteilungen.html> →

<https://www.kof.ethz.ch/publikationen/kof-studien.html> →

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

<https://kof.ethz.ch/prognosen-indikatoren/prognosen/kof-gesundheitsausgabenprognose.html> →

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