

Press Release

Zurich, 17 June 2016, 10:30 a.m.

KOF Forecast of Health Care Expenditure, Spring 2016: Moderate Trend Followed by Growing Dynamics

Health care spending is set to rise further in the coming years. In 2016, KOF expects total health care expenditure to go up by 3.6%. In the following year, the increase in spending will be more pronounced at 3.9%. The share of health care expenditure in GDP will rise to 12.1% in 2017. These are the results of the biannual KOF Forecast of Health Care Expenditures which is carried thanks to a research contribution from the TopPharm AG.

Since Switzerland's health care expenditure data are published with a time lag, KOF is also forecasting the increase in health care spending in 2015. The Swiss Federal Statistical Office published the 2014 data in May 2016.

In the forecast period 2015 to 2017, the rise in health care expenditure will remain moderate at the beginning and will subsequently gain momentum. In 2015, KOF anticipates a modest 2.7% increase in spending due, in particular, to the weaker economic environment and the cuts in drug prices which entered into force in June 2013. According to the Swiss Federal Office for Public Health (FOPH), the cuts had resulted in savings of CHF 720 million by 2015. The shift in expenditure from inpatient to outpatient treatment persisted. Outpatient treatment continued to follow a dynamic trend, especially in the 'Spitex' and 'Physiotherapy' categories.

The economic environment will remain subdued for the remainder of 2016. Nevertheless, health care spending is likely to pick up momentum (2016: 3.6%). Growing numbers of senior citizens are contributing to a steady increase in health care expenditure due to the growing need for health care in older age. In the following year, the macroeconomic environment will brighten up, leading to a slightly stronger wage trend which, in turn, will result in a more pronounced increase in health care spending of 3.9%.

Within the framework of its 'Health 2020' agenda, the Federal Council is pursuing substantial additional savings in the medium to long term. The cost impact of the measures planned in the context of the agenda has, however, not been included in the forecast since, with the exception of the drugs category, these measures are as yet too undefined to be incorporated into the projection.

The health care sector is playing an increasingly important role in the Swiss economy. In 2015, over 266,000 people (in full-time equivalents) were working in the health care industry. This figure translates into just under 7% of total employees in Switzerland. The sector's share in added value is 5% and the share of health care expenditure in GDP (health care expenditure ratio) is 11%. In the years 2004 to 2014, the health care expenditure ratio increased from 10.4% to 11.1% and is expected to rise to 12.1% by 2017.

About the study

The KOF Swiss Economic Institute at ETH Zurich publishes its forecast of Swiss health care expenditure on a biannual basis. The spring forecast is supported by the company TopPharm, while the autumn forecast is supported by the internet comparison service comparis.ch.

The full KOF Study entitled 'Frühjahrsprognose der schweizerischen Gesundheitsausgaben 2015–2017' (in German) by Marko Köthenbürger and Pauliina Sandqvist is available on our website:

<http://www.kof.ethz.ch/en/publications/p/kof-studies/> →

Further information on the KOF Forecast of Health Care Expenditure is available here:

<http://www.kof.ethz.ch/en/forecasts/forecasts-swiss-health-care-expenditures/> →

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