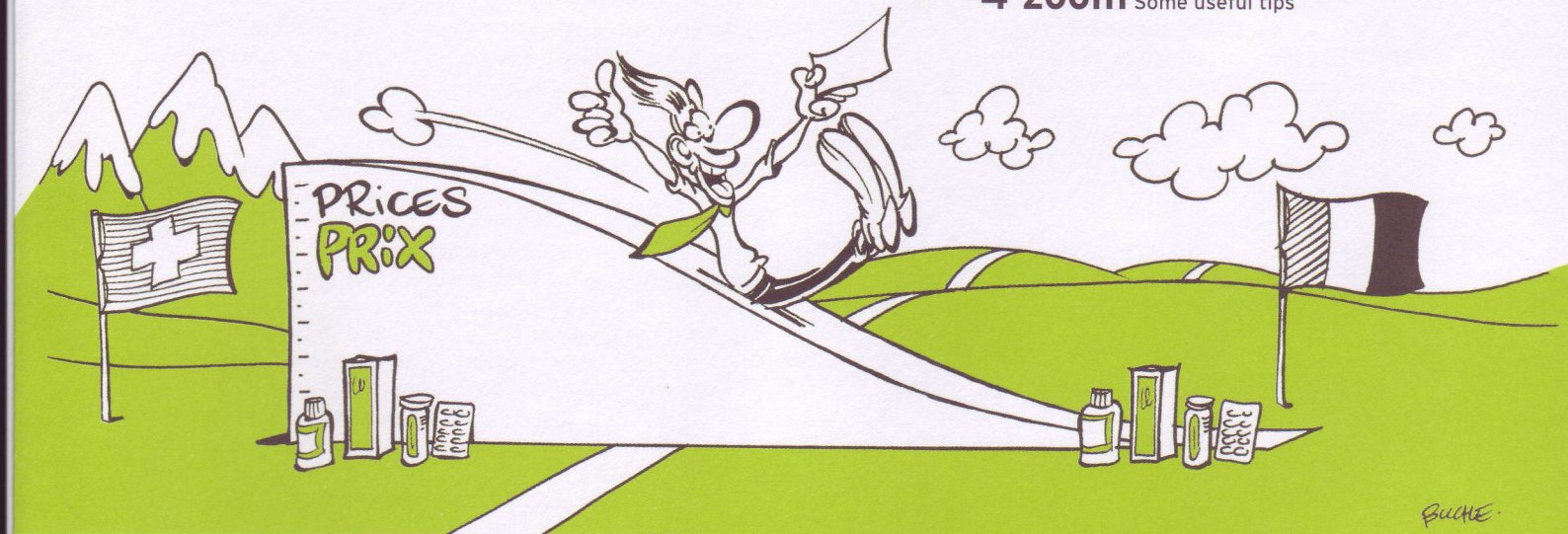


CHIS Bull'

Bulletin of the CERN health insurance scheme No 10 December 2001

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EDITO

This edition of the CHIS Bull' is the last issue in what has proved to be a very fruitful year for our Scheme. In 2001, all those involved in our mutual system joined forces to bring off a major achievement: the introduction of long-term care.

In addition, the statistics for the first nine months of this year seem to indicate that the overall health costs of the Scheme are stable. The CHIS Board will therefore recommend that there should be no increase in contribution levels for 2002.

Despite this, we cannot afford to relax our efforts to keep the overall costs of the Scheme under control. The CHIS Board has therefore decided to devote this issue to the costs of medication, following the introduction, from 1 July 2001, of a new pricing structure by Swiss pharmacists.

...keeping costs under control!

Switzerland has introduced this new method to improve transparency. Pharmacists' traditional profit margins have been replaced by new payments based on the services provided to the customer. Although it is said that this new system will have no effect on the overall costs of medicines in the Swiss national system, the impact of such a change may be different on our Scheme. This issue aims to describe the new system and give some tips on possible savings.

The next issue is scheduled for spring 2002. It will give you the annual "check-up" of our Scheme with detailed statistics. In the meantime, on behalf of all the members of the CHIS Board, I wish you a Merry Christmas and a happy and healthy New Year, with all best wishes to you and your families.

Vincent Hatton
Chairman of the CHIS Board

> Make savings on medication

One of the most significant items in our overall health bill is expenditure on medication. And with the advent of long-term treatments for some types of illness, such as AIDS, the "centre of gravity" of health costs is progressively shifting away from hospital treatment towards spending on medication.

Nowadays, more than 12% of the CERN Health Insurance Scheme's total bill is spent on medicines. And the statistics show that the cost of medication has increased much faster than other sorts of healthcare costs. Over the last five years, the cost of pharmaceutical products reimbursed by our insurance has jumped by some 35%, whereas our overall expenditure on health has increased by about 15% over the same period. In other words, the cost of medicines has shot up, increasing twice as fast as other health costs.

These findings have prompted us to follow up on our December 1999 edition devoted to generics and once again to focus on medication issues. This subject is all the more important because it is an area where each one of us can make savings which benefit us all. What's more, these savings are quite easy to achieve with no side effects on quality of care. Added to this, from 1 July 2001, a new pricing structure has been introduced at Swiss pharmacies.

You may well have felt a headache coming on or your temperature beginning to rise when coming to grips with the new tariffs at Swiss pharmacies. Below we provide some clarifications to help you find your way through the tariff maze and show you how best to trim back the costs involved.

From 1 July 2001, the prices charged by Swiss pharmacists have been restructured. They no longer include the customary profit margin or markup. Instead, pharmacists charge for the service they provide. Before looking at the details on the new tariffs, please bear in mind that the new system covers only medication obtained on prescription and reimbursed by our health insurance. Medicines purchased without a prescription or parapharmaceutical products are not affected and pharmacists will still take a percentage amounting to about 35% of the price of your purchase.

TWO NEW SURCHARGES

When you hand over your doctor's prescription, pharmacists check it to see if it is authentic and includes the relevant details. When they charge you for the item, their price now includes a smaller markup than previously, though this price will generally no longer be indicated on the package. On top of this, two separate surcharges will be levied for the services provided.

- **The pharmacist's surcharge of CHF 4.20** is designed to pay for the advice tendered by pharmacists when they check on the dosage and the particular risks and abuses involved in the prescribed drugs. The surcharge applies to each item on the prescription, irrespective of price. However, if you have to wait to obtain part of the prescribed amount because it is out of stock, the surcharge is not levied twice. Again, the pharmacist's surcharge may be levied only if the pharmacist checks the prescription and advises you personally or personally supervises the advice given. **But we would emphasize that the price is the same whether you ask for advice or not. The extra cost of this service is an integral part of the price of medication sold on prescription. So trying to save money by asking no questions won't work.**

The way through

WHAT IT MEANS FOR US

Of course the CERN Health Insurance Scheme will continue to reimburse the cost of medicines and the associated surcharges up to 90%. Nothing has changed in this respect. But each of us has a responsibility to keep on trying to reduce our overall bill for medication because, as we hardly need reminding, our Scheme is run on mutualist principles. Every franc saved is a saving for the members of the Scheme as a whole. **Here are some suggestions which you may like to try.**

- **Where you can, buy generic medicines.** As a general rule generics are 20% to 50% cheaper than brand-named medicines. Generics are copies which have the same composition, quantity, dosage and ingredients as the original drug. They can be sold as soon as the patent covering the industrial property of the active reference molecule enters the public domain. The tests for pharmaceutical quality are the same for both generics and the original products. And, since the beginning of the year in Switzerland and for slightly longer in France, pharmacists have been allowed to substitute generics for original medicines - but, of course, only if you ask.
- **Do not pay the patient surcharge.** In the Swiss system, health insurers pay pharmacists directly for patients' medication - a system known as *tiers-payant*. Under our system, of course, members pay first and claim reimbursement later - this is known as *tiers-garant*. Since this implies that pharmacists do not need to keep files for the members of the CERN scheme, we believe therefore that we should be exempt from the surcharge. Unfortunately the rules are not yet very clear though we have tested a number of pharmacies in Geneva - most did not apply the patient surcharge. We therefore urge you to choose your pharmacy with this in mind.

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- The **patient surcharge of CHF 7.35** is levied to cover the costs of keeping a patient's file. It is charged once every three months and does not depend on the number of prescriptions you have collected during this period. And, if you, the patient, go to another pharmacy, you are liable to a new patient surcharge. **So, under the new system, it is advisable to keep going to the same pharmacy to avoid paying out unnecessarily.**

The extras charged by pharmacists outside normal opening hours (for example at night or for stand-by duty) remain unchanged so you will be charged as in the past. But remember that these extras come on top of the new surcharges. So, except in emergencies, we advise you to stock up during normal opening hours.

PRICES UP OR DOWN ?

This new system has a direct impact on the cost of prescribed medication, even though we are told by health insurers and Swiss pharmacists that over time the overall cost will be stable. In point of fact it will make medication below CHF 50 considerably dearer. Between CHF 50 to CHF 100, prices will remain more or less the same. Above CHF 100, prices will tend to fall. In the table on page 4 we show it is obvious that the cost of some medication has doubled since 1 July 2001 while the reductions are proportionately more modest.



Simple measures like the ones described below can have a big impact on health costs reimbursed by CERN's health insurance and on the overall balance of the Scheme. This in turn will ensure its long-term viability. Adopting just one of these measures from now on will help to reduce our overall bill significantly. And with no loss of quality. So it's up to each one of us to act responsibly.

Over the coming months, the CERN Health Insurance Supervisory Board (CHISB) will be specially vigilant monitoring the financial implications of the new charges by Swiss pharmacists. Indeed, evidence of a big jump in costs might make it necessary for the CHISB to recommend new measures to curb spending on pharmaceutical products.

the tariff maze...

Buy in France ?

Last year members of the CERN Scheme purchased almost CHF 5 million of medication - of this CHF 3.1 million was spent in Switzerland and CHF 1.8 million in France.

Naturally enough, the large majority of members of the CERN Scheme living in Switzerland use Swiss pharmacies - last year they spent CHF 2.05 million in Switzerland and CHF 0.15 million in France. The pattern is quite different among those living in France. They share their expenditure between France and Switzerland, i.e. CHF 1.65 million in France and CHF 1.05 million in Switzerland. In this connection, please remember that medicines are generally quite a bit cheaper in France (see table on page 4). In other words, if you live in France, it is well worth buying on the French side of the frontier. And those of you who live in Switzerland: Why not cross the border when you can ?

Reminder: Swiss prescriptions can be made up by French pharmacists who may also, at your request, propose a generic where appropriate. The Swiss Customs treat medicines like other goods. So the general duty-free limit of CHF 100 per adult applies. Above this amount medication is subject to VAT at the special rate of 2.4%.

THE COSTS OF MEDICATION: IN SWITZERLAND AND FRANCE

	In Switzerland Before 1 July 2001	In Switzerland After 1 July 2001 (including the two surcharges)	In France
Voltarène 25 mg (30 cps)	CHF 12.65	CHF 25.45	FRF 21.80, or approx. CHF 5.10
Ospen 1000 (12 cps)	CHF 18.95	CHF 33.40	FRF 25.40, or approx. CHF 5.70
Kliogest NCPR film	CHF 22.10	CHF 38.10	FRF 52.30, or approx. CHF 12.20
Felden 20 mg (30 cps)	CHF 49.20	CHF 52.25	FRF 119.80, or approx. CHF 27.80
Nitroderm TTS 1050 mg	CHF 64.75	CHF 69.65	FRF 105.10, or approx. CHF 24.40
Plavix 75 mg (28 cps)	CHF 119.50	CHF 111.65	FRF 403.60, or approx. CHF 93.80
Zantic/Azantac 300 mg (40 cps)	CHF 194.10	CHF 163.80	FRF 438.30, or approx. CHF 101.90

SOME TIPS

FLU VACCINATION

Persons aged 50 or over are recommended to have influenza vaccinations. Vaccination is particularly important for those suffering from chronic lung, cardio-vascular or kidney problems, for diabetics and those convalescing from serious medical problems or after serious surgical operations.

In order to be effective for the winter, vaccination should ideally take place before the end of December. Of course, our Scheme will reimburse it.

THE CHIS AND THE EURO

As from 1 January 2002, the euro will be the common currency of 12 European countries and some 293 million people. Of course, such a change will have some consequences on our Health Insurance Scheme.

As you know, when filling in the medical expenses claim form, you are required to indicate a currency code, i.e. the currency in which you have incurred medical expenses. You may have noticed that the euro is not yet on the list of currencies which appear on the bottom left of the existing form. Of course, this will be changed very soon, once the stock of existing forms has been used up. Until then, please note that, from now on, the **currency code for the euro is 002** (easy to remember since the code for the Swiss franc is 001). If you forget this code, don't worry! Just indicate "euro" next to the amount of your medical bill, or simply use the € symbol!

UNIQA'S EXPERTS
ARE AVAILABLE TO HELP YOU!

If you experience health problems when travelling abroad or during the annual closure of the Laboratory, remember our Health Insurance Scheme has a telephone number you can call **24 hours a day in case of emergency**:

Tel. n° ++43 (512) 224 22

(This number is also printed on the back of your membership card)

If you are hospitalised outside Europe, it is recommended that you also call this number.

But please note: if you are hospitalised in the United States, you **must** call this number. The cost of treatment will then be handled by UNIQA's new partner in the USA, **United Health Care**. As a result you will not be expected to pay an advance deposit and your hospital bill will also be significantly lower.

