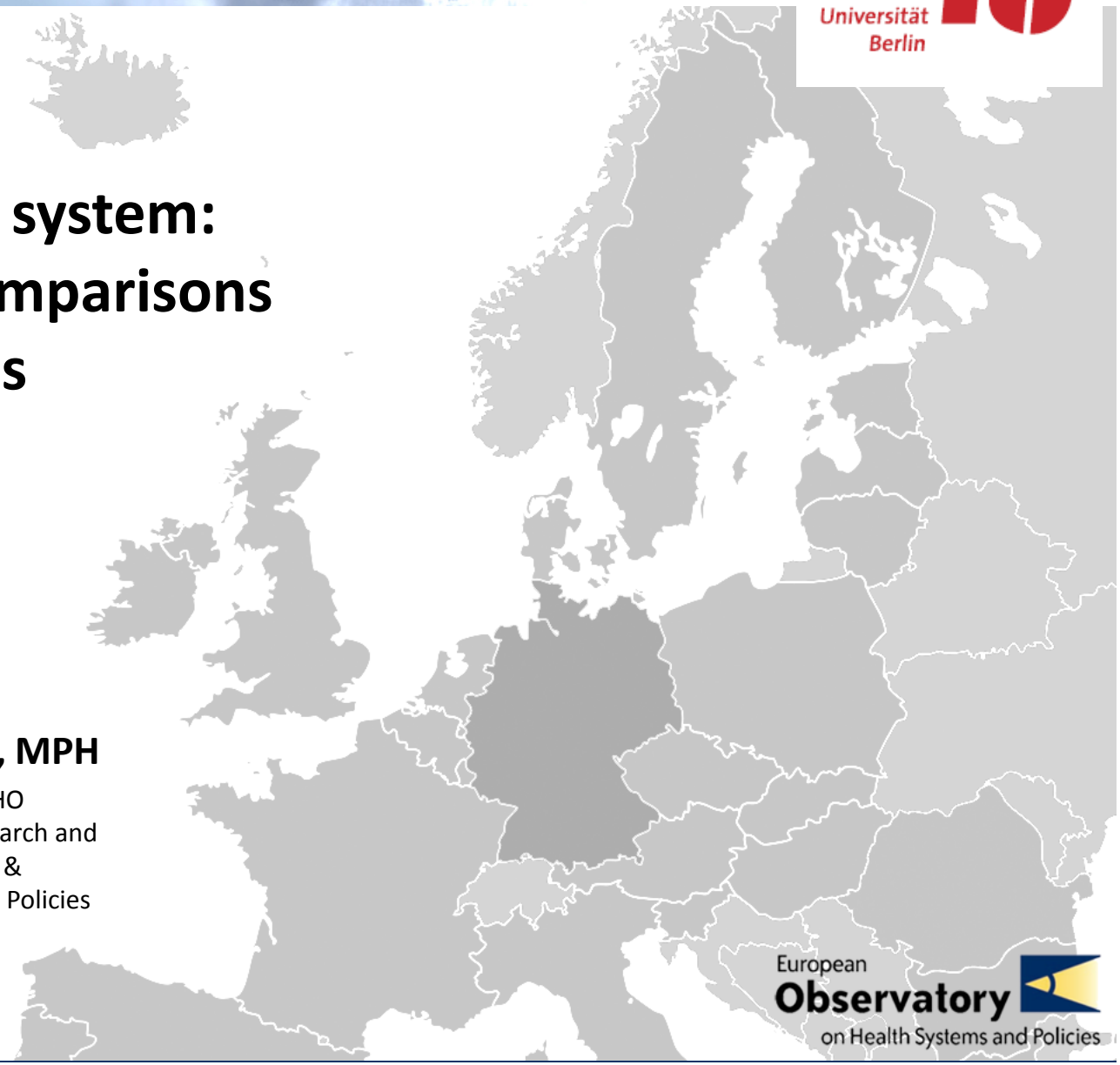
The German health system: basics and some comparisons with other countries



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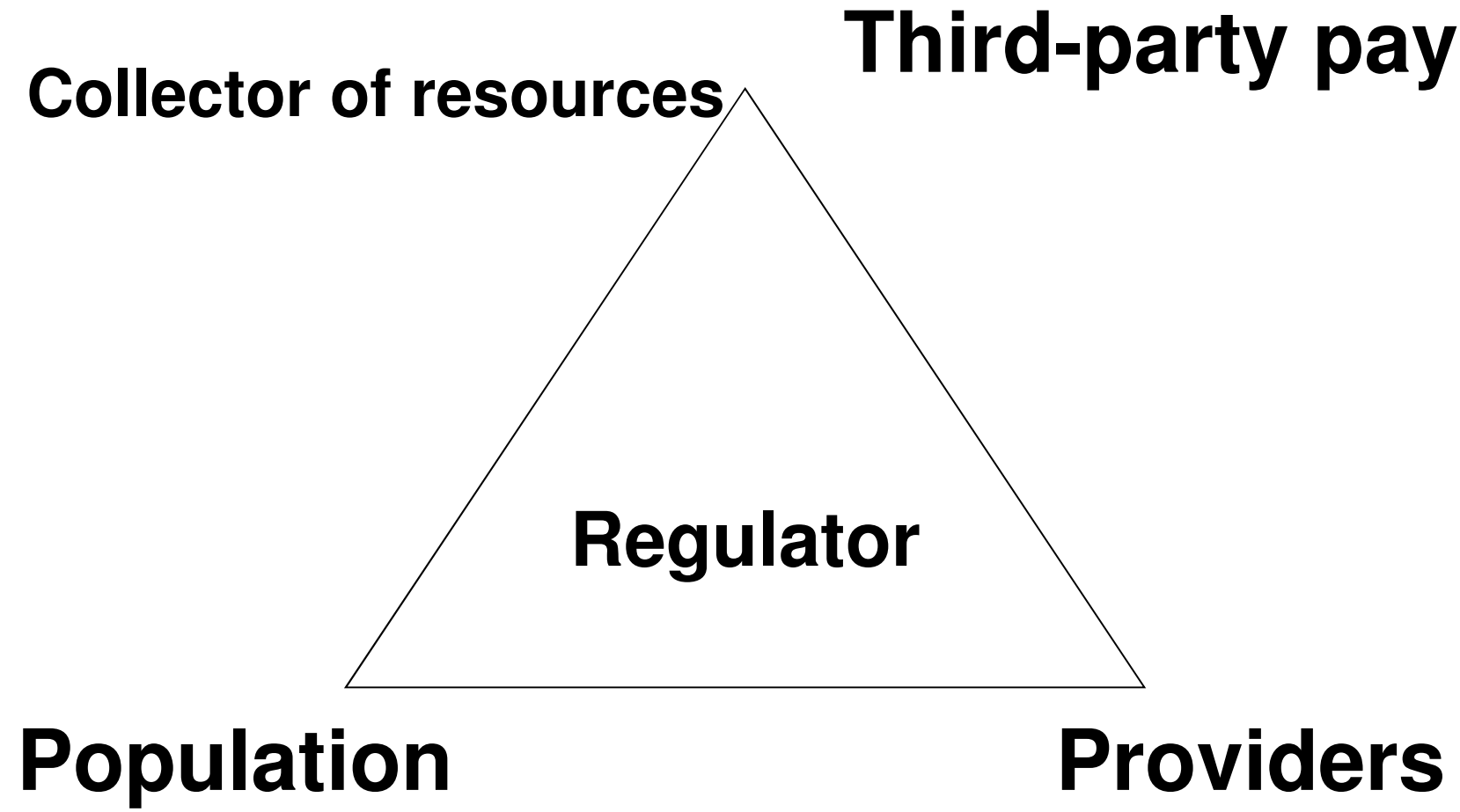
Third-party payers
Collector of resources
Regulator
Population
Providers

The German system at a glance

"Risk-structure compensation"

Collector of resources

Health fund

Uniform wage-related contribution
+ possibly additional premium
(set by sickness fund),
Risk-related premium

Choice of fund/ insurer

Third-party payers

Ca. 130 sickness funds

Ca. 45 private insurers

Contracts, mostly collective

No contracts

Strong delegation
(Federal Joint Committee)
& limited governmental control

Population

Universal coverage:
Statutory Health Insurance 86%,
Private HI 11%

Choice →

Providers

Public-private mix,
organised in associations
ambulatory care/ hospitals

Key characteristics (I):

a) Sharing of decision-making powers between the sixteen *Länder* (states), the federal government and statutory civil society organizations

i.e. important competencies are legally delegated to membership-based, self-regulated organisations of payers and providers

b) German health care [almost] = Statutory health insurance (SHI)

SHI Cornerstone of health service provision is the Fifth Book of the German Social Law (SGB V)

i.e. it organizes and defines the self-regulated "corporatist" structures and give them the duty and power to develop benefits, prices and standards

c) Existence of substitutive private health insurance alongside SHI

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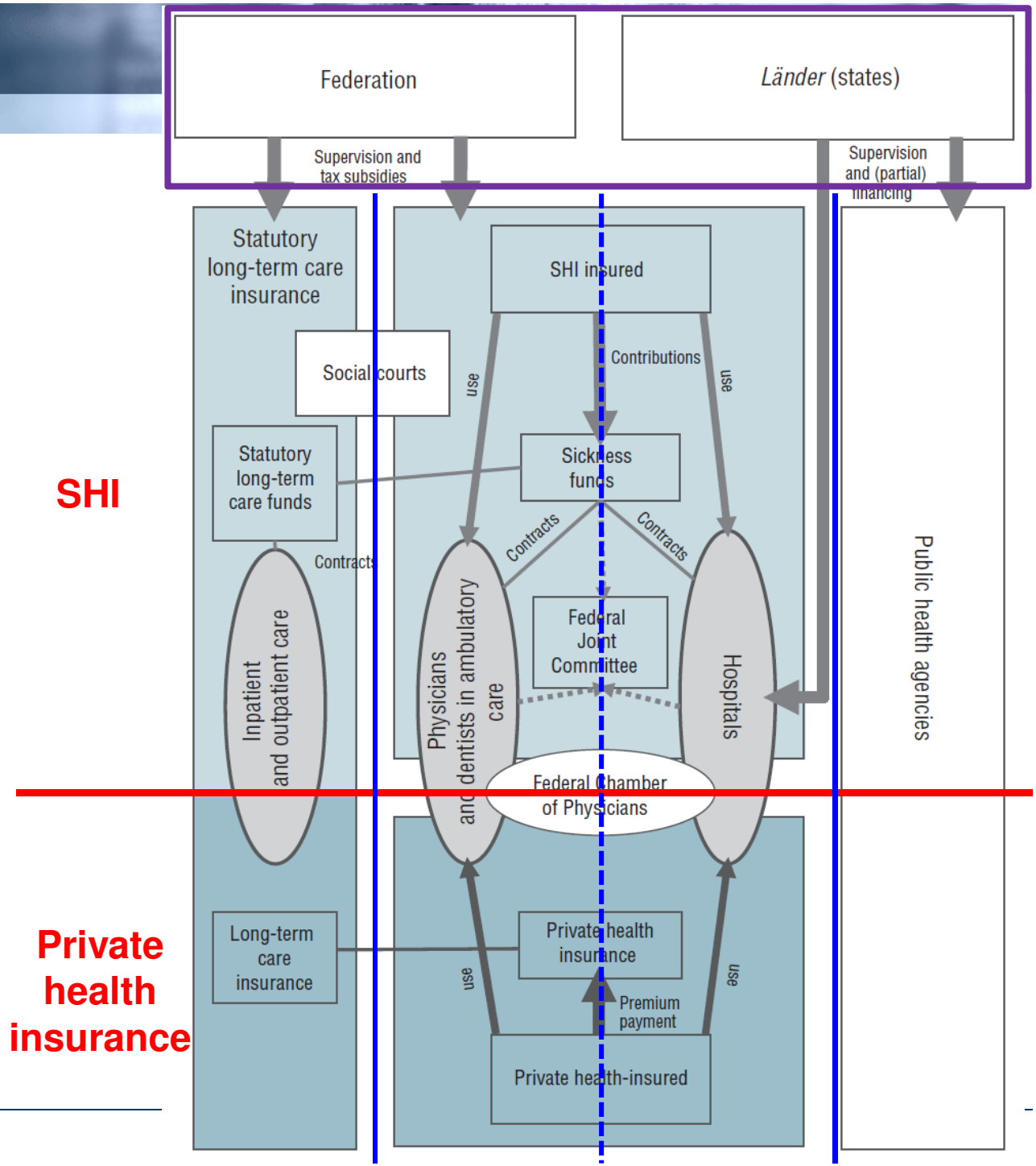


Private health insurance

Third-party Payers

Taxes 9%

77% public

Social Health Insurance contributions 68%

Voluntary insurance 9%

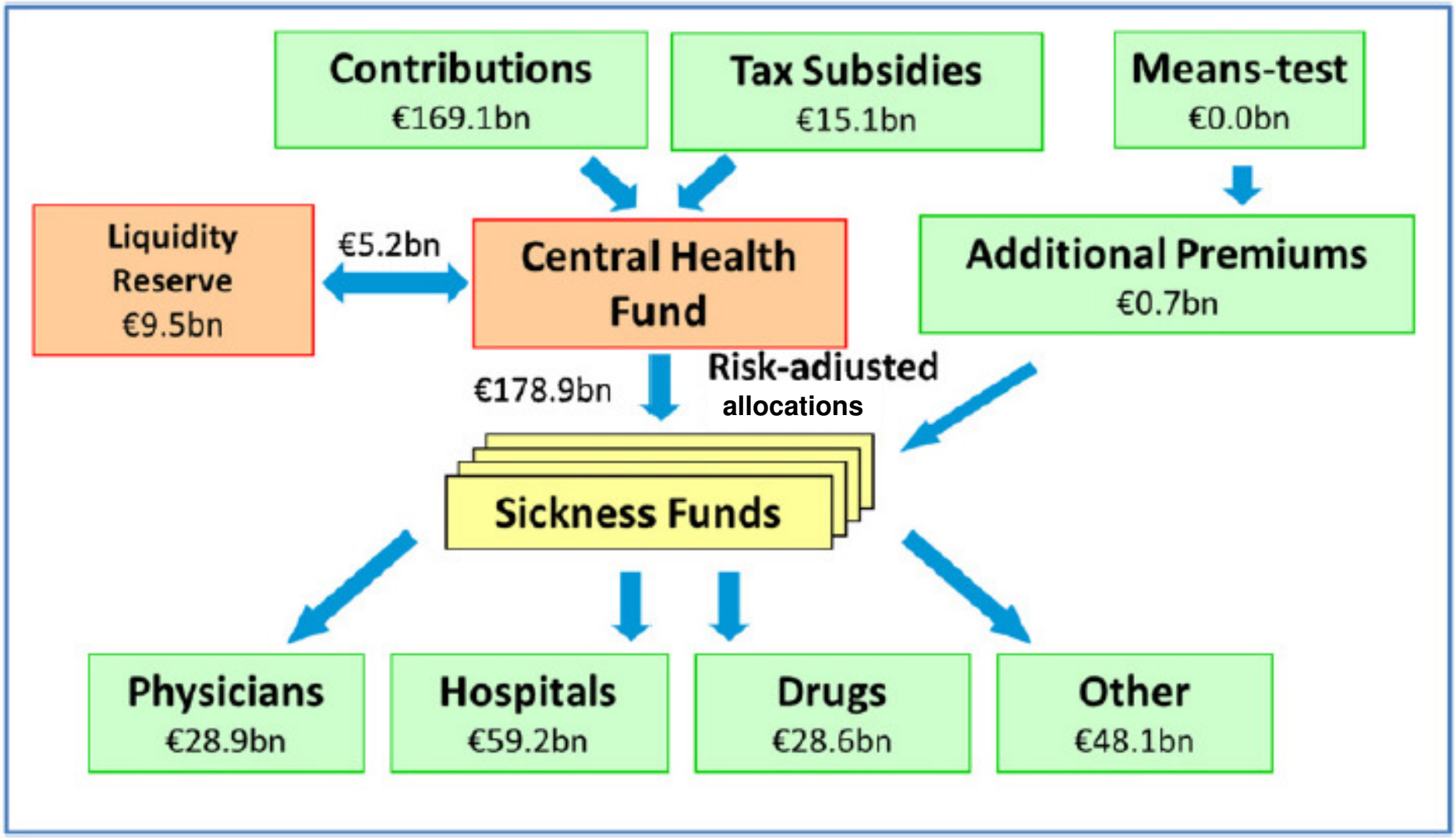
Population → Providers

Out-of-pocket 12%

Germany 2011

11.3% of GDP

Financial flows in SHI (2011)



| Source: Göppfarth & Henke, Health Policy 2013 |

Key characteristics:

d) Sectoral borders

Provision of ambulatory and inpatient services.

Planning, resource allocation, provision and financing are separate for ambulatory (office-based physicians) and inpatient (hospitals) sector.

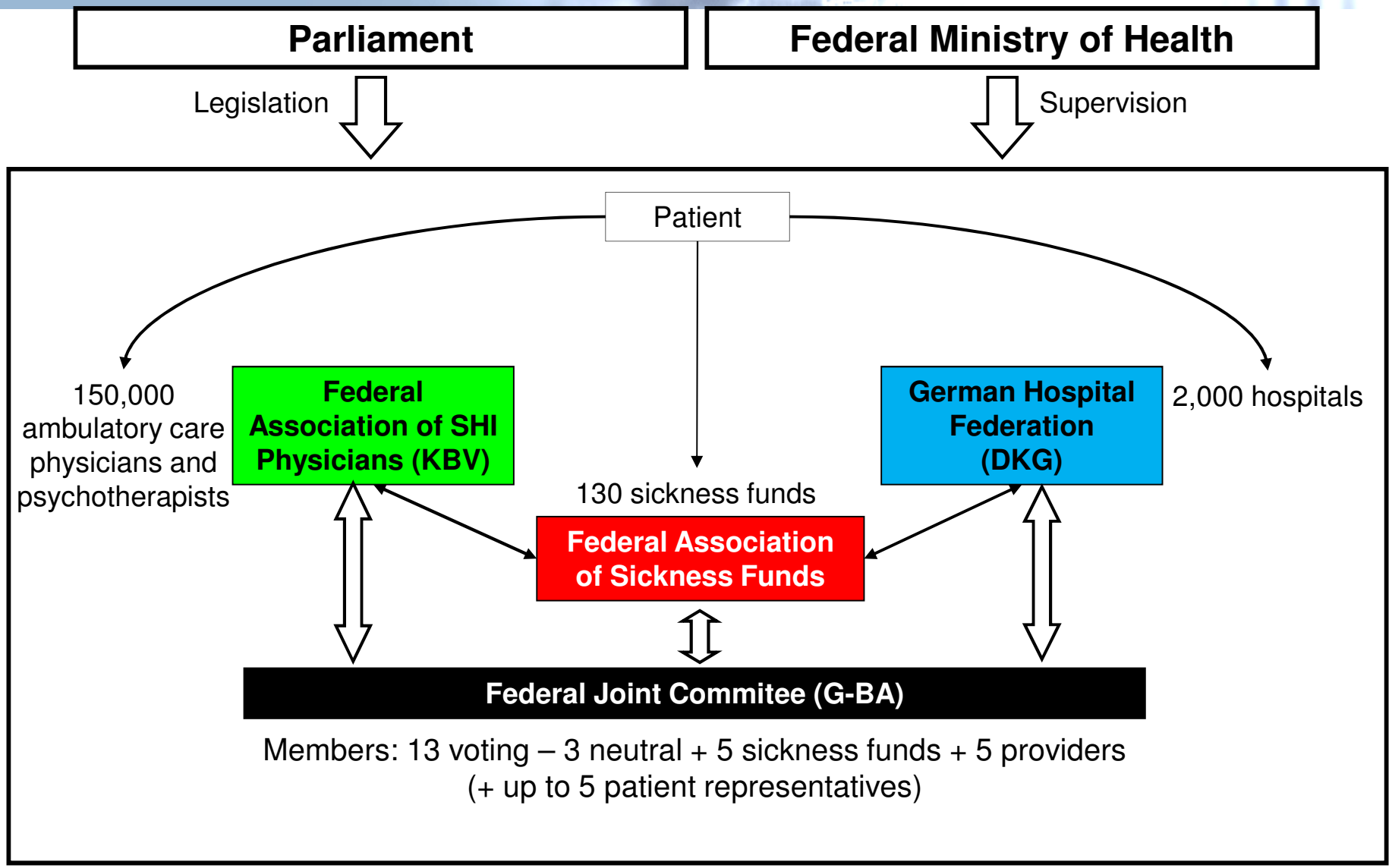
→Complicates the provision of health care delivery (problematic especially for chronically ill → answers: Disease Management Programmes and selective "integrated care" contracts)

→Increases the amount of specialists

→Increases the health care expenditure

→ Various reforms have tried to lessen sectoral borders (last in 2012 by creating a new in-between sector for highly specialized ambulatory care)

Decision-making in German SHI



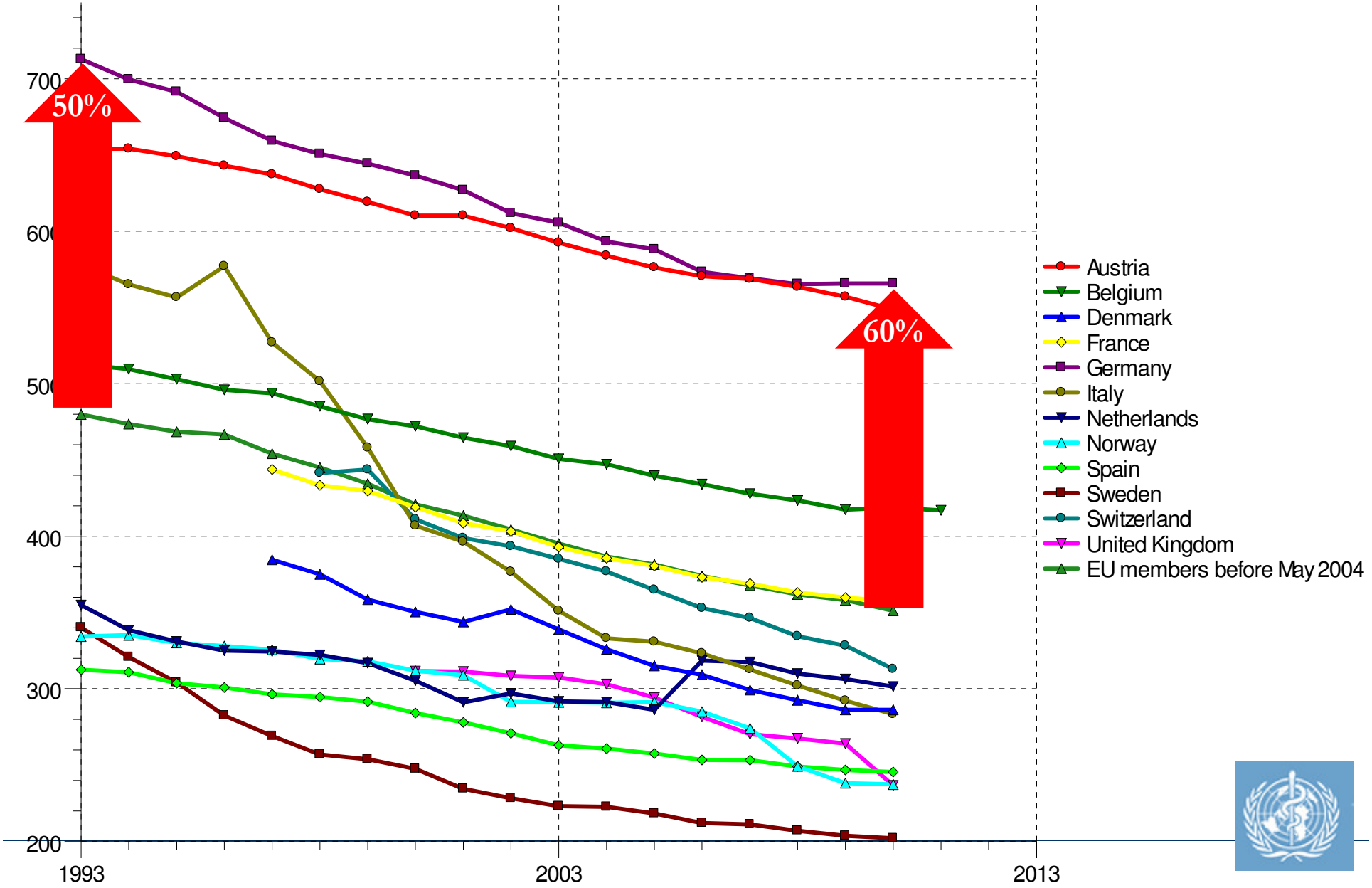
Statutory Health Insurance

Objectives of Federal Joint Committee

- **Main functions: to regulate SHI-wide issues of access, benefits and quality (and not primarily of costs or expenditure)**
- ***Normative function of the G-BA by legally binding directives ("sub-law") to guarantee equal excess to necessary and appropriate services for all SHI insured***
- **Benefit package decisions must be justified by an evidence-based process to determine whether services, pharmaceuticals or technologies are medically effective in terms of morbidity, mortality and quality of life**
- **By law, evidence based assessments can only be used to select the most appropriate (efficient) service etc. from others – not to prioritize among service areas: if a costly innovation has a significant additional benefit, the sickness funds must pay for it**

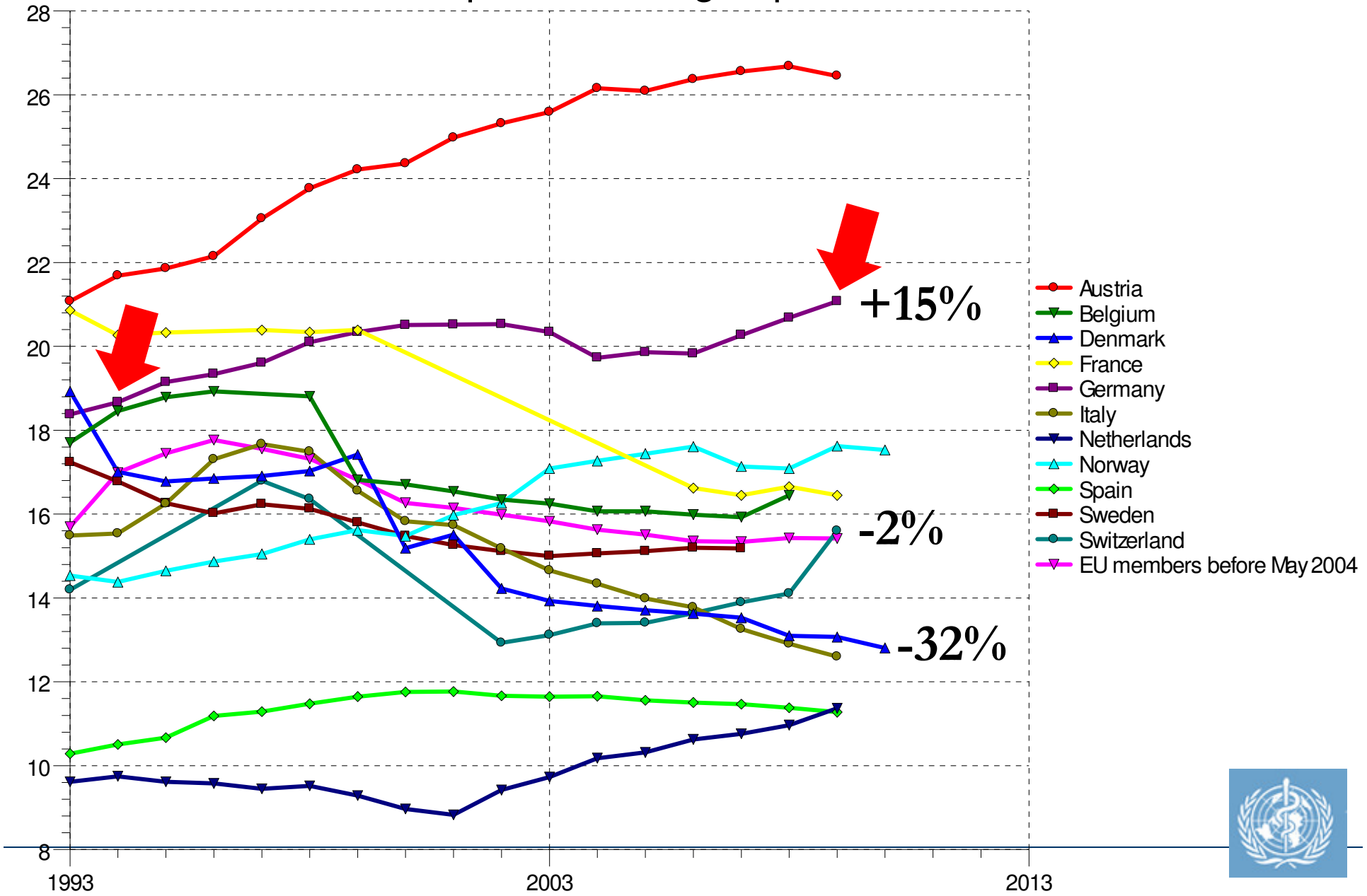
The hospital sector: (too) many beds, …

Acute care hospital beds per 100000

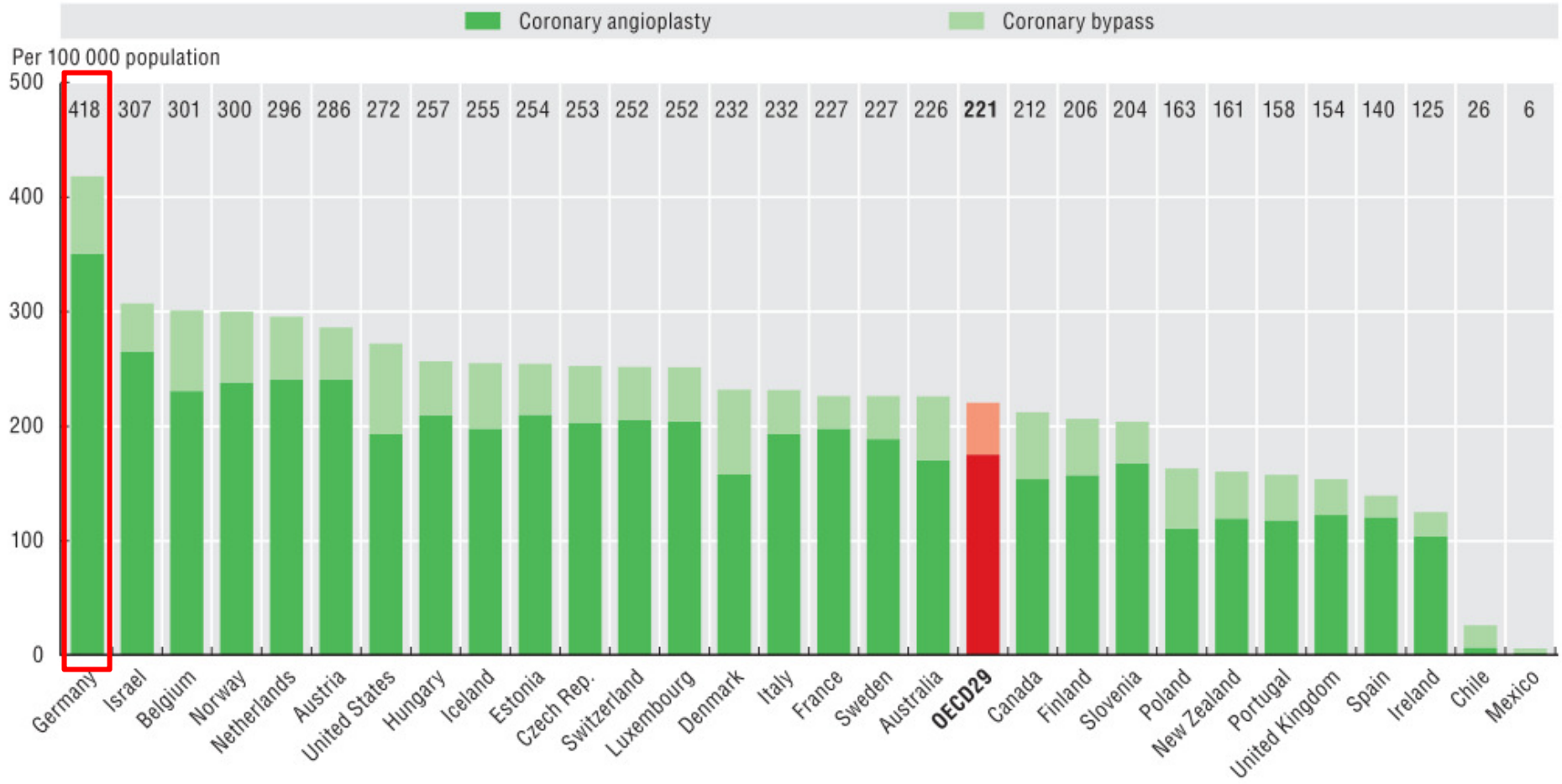


The hospital sector: … (too) many cases

Acute care hospital discharges per 100



4.6.1. Coronary revascularisation procedures, 2011 (or nearest year)



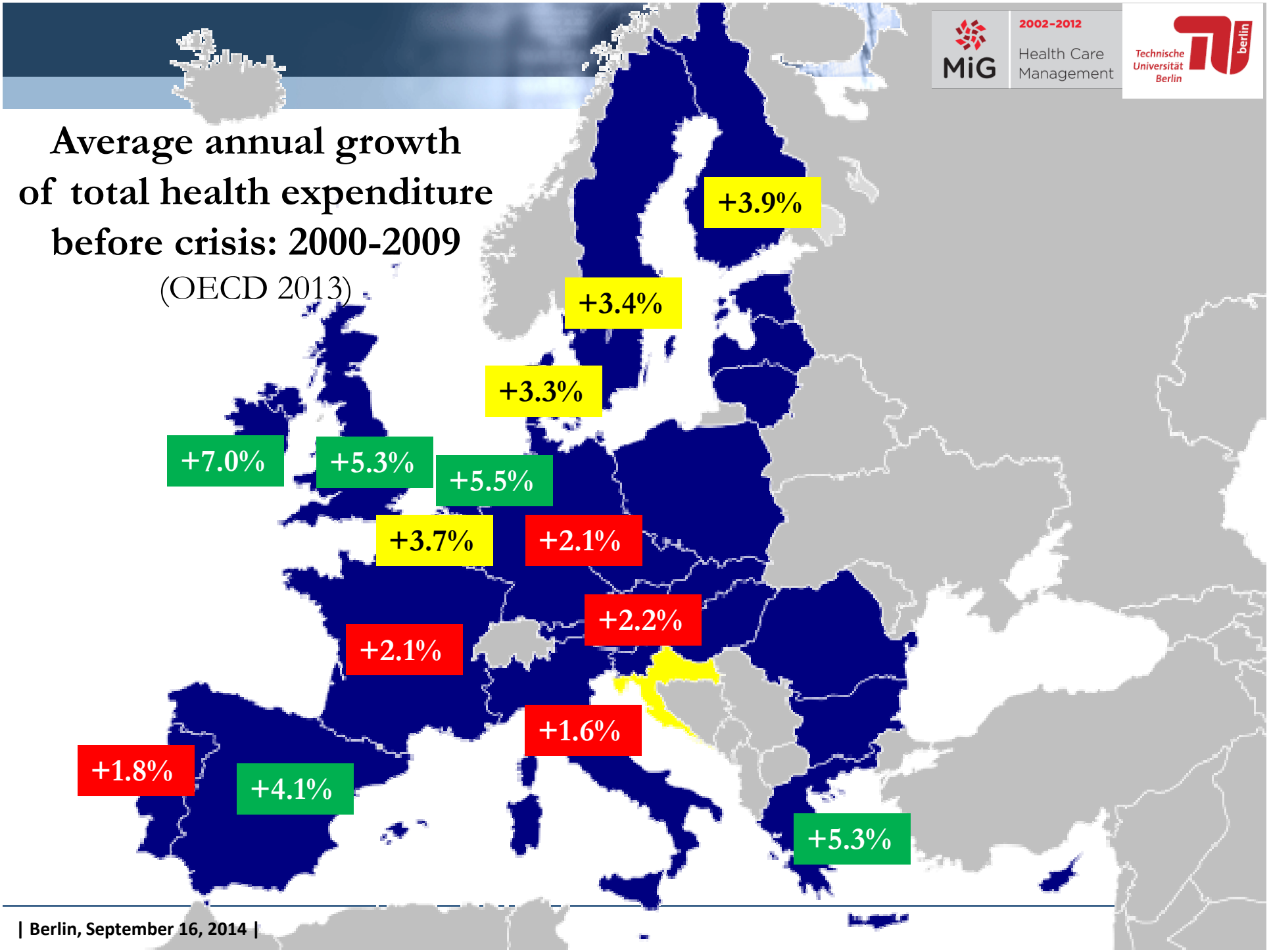
Note: Some of the variations across countries are due to different classification systems and recording practices.
Source: OECD Health Statistics 2013, http://dx.doi.org/10.1787/health-data-en.

StatLink http://dx.doi.org/10.178

OECD

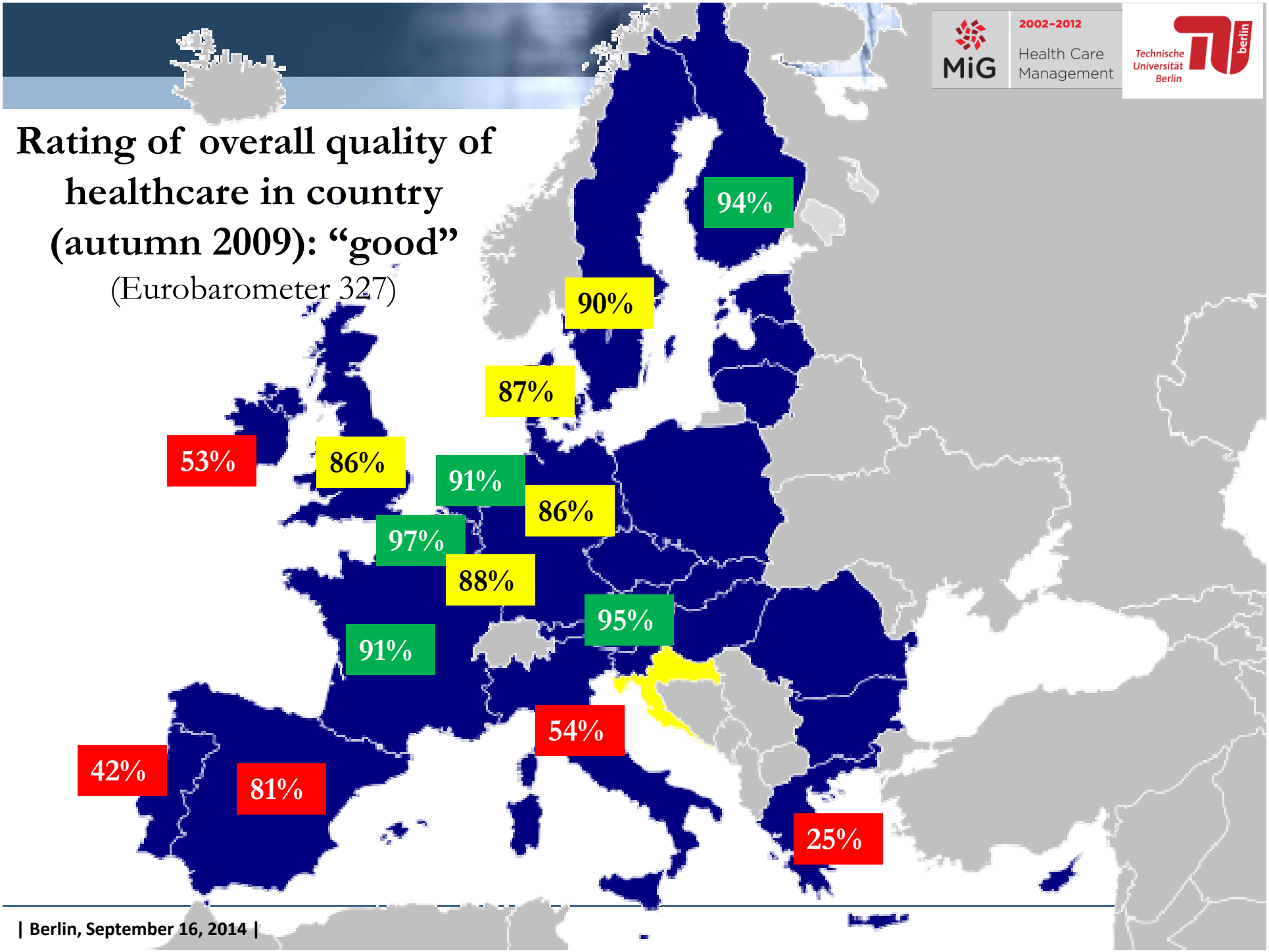
Average annual growth of total health expenditure before crisis: 2000-2009

(OECD 2013)



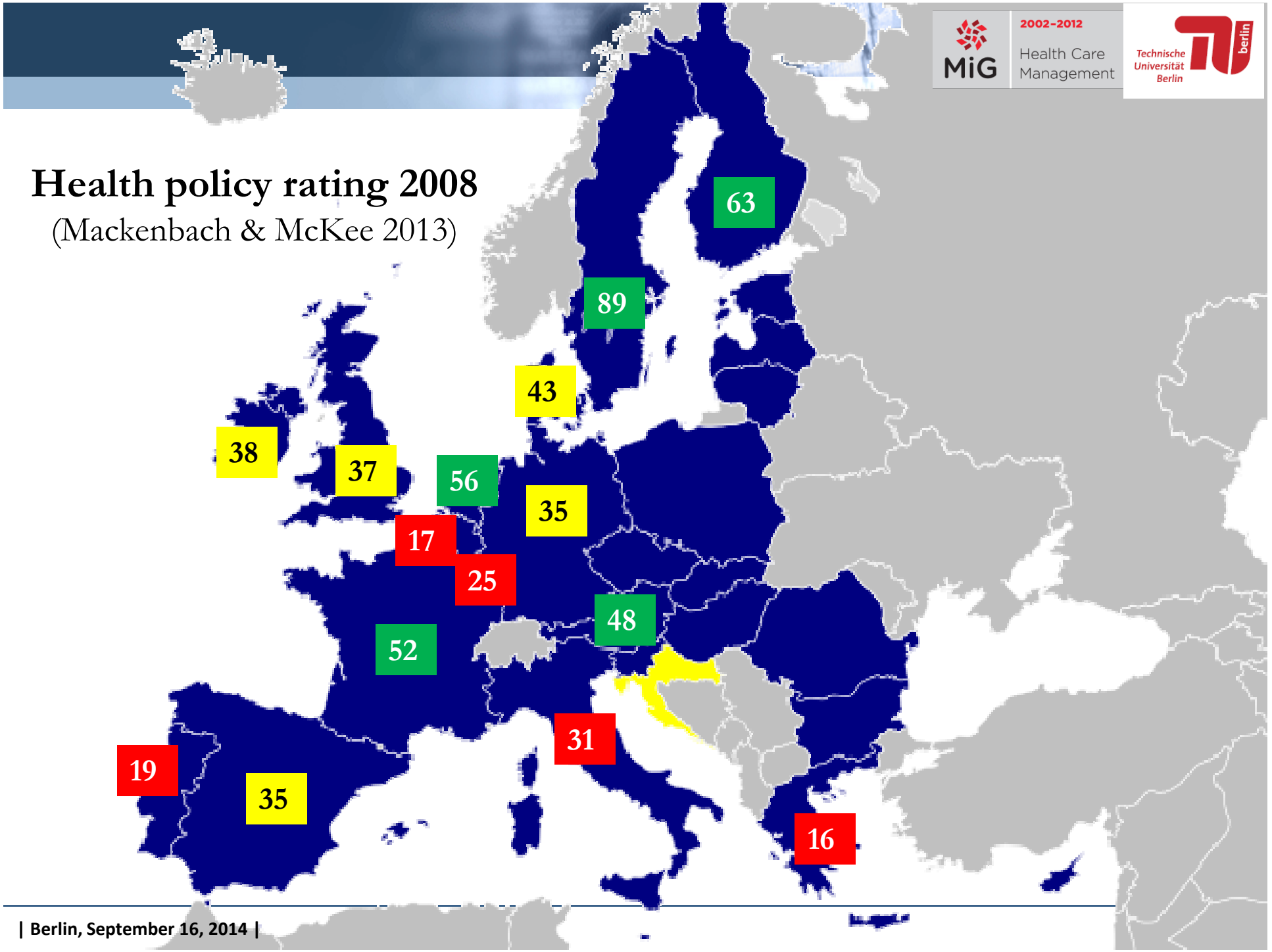
Rating of overall quality of healthcare in country (autumn 2009): "good"

(Eurobarometer 327)

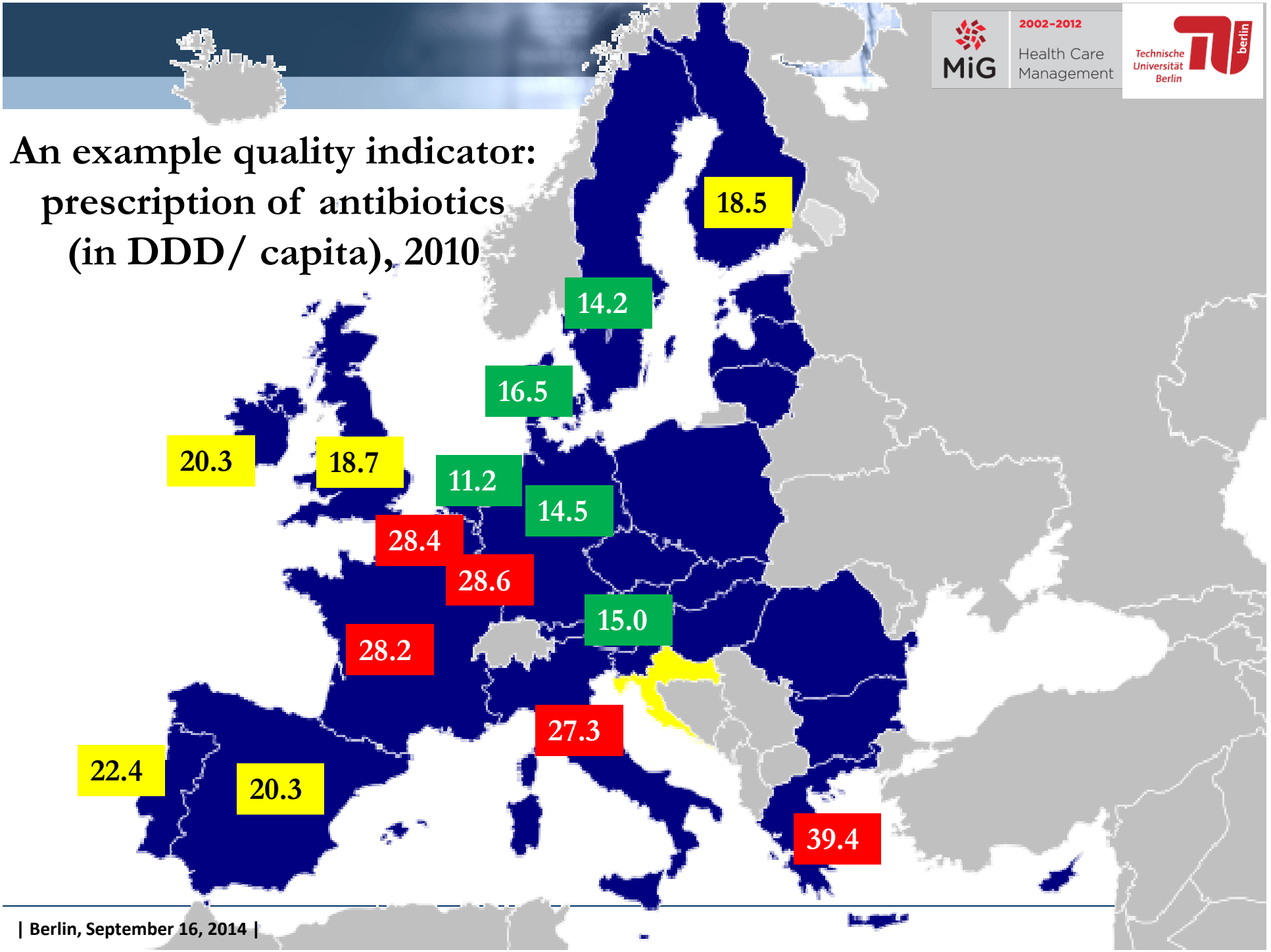


Health policy rating 2008

(Mackenbach & McKee 2013)

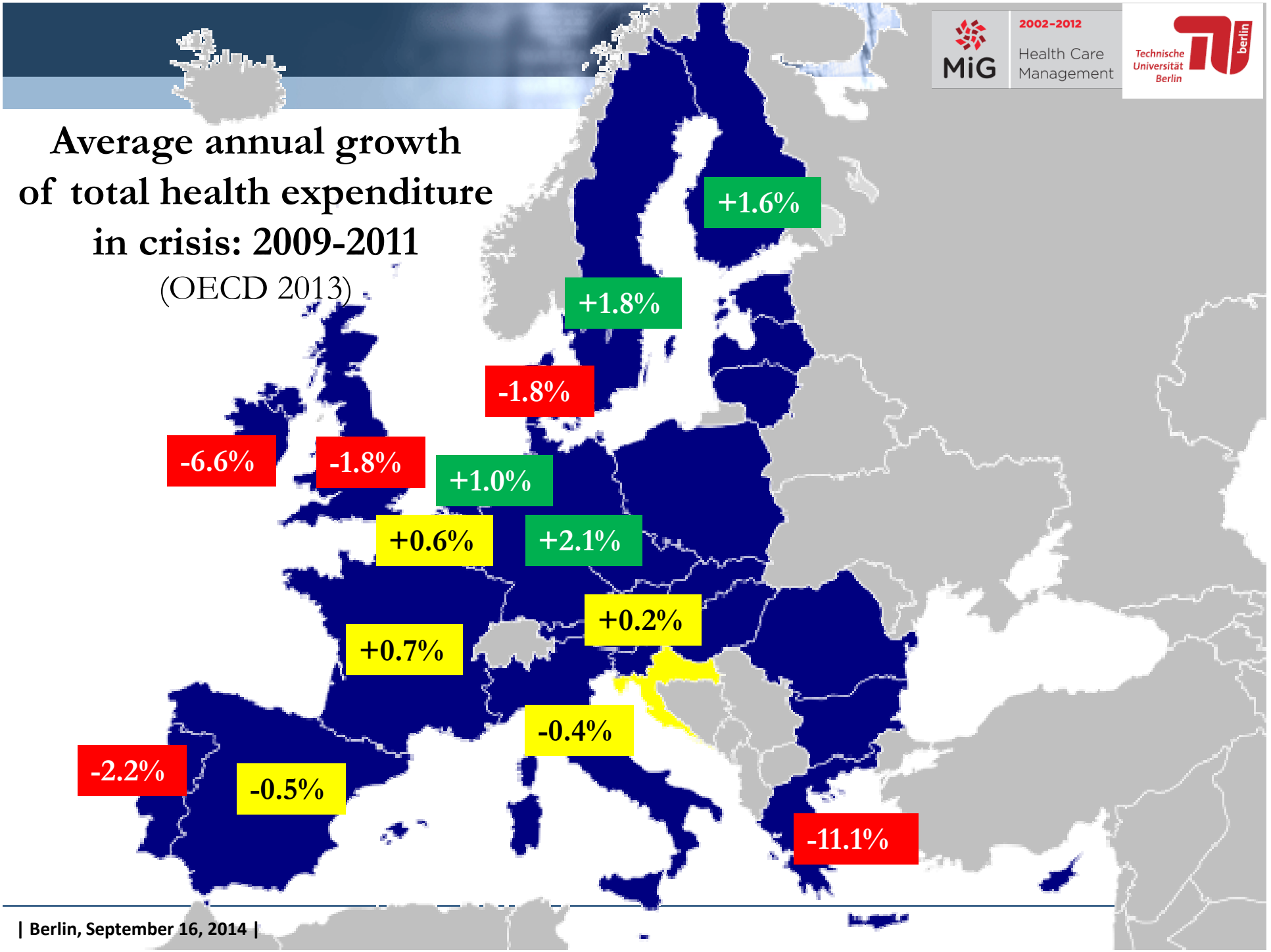


An example quality indicator: prescription of antibiotics (in DDD/ capita), 2010



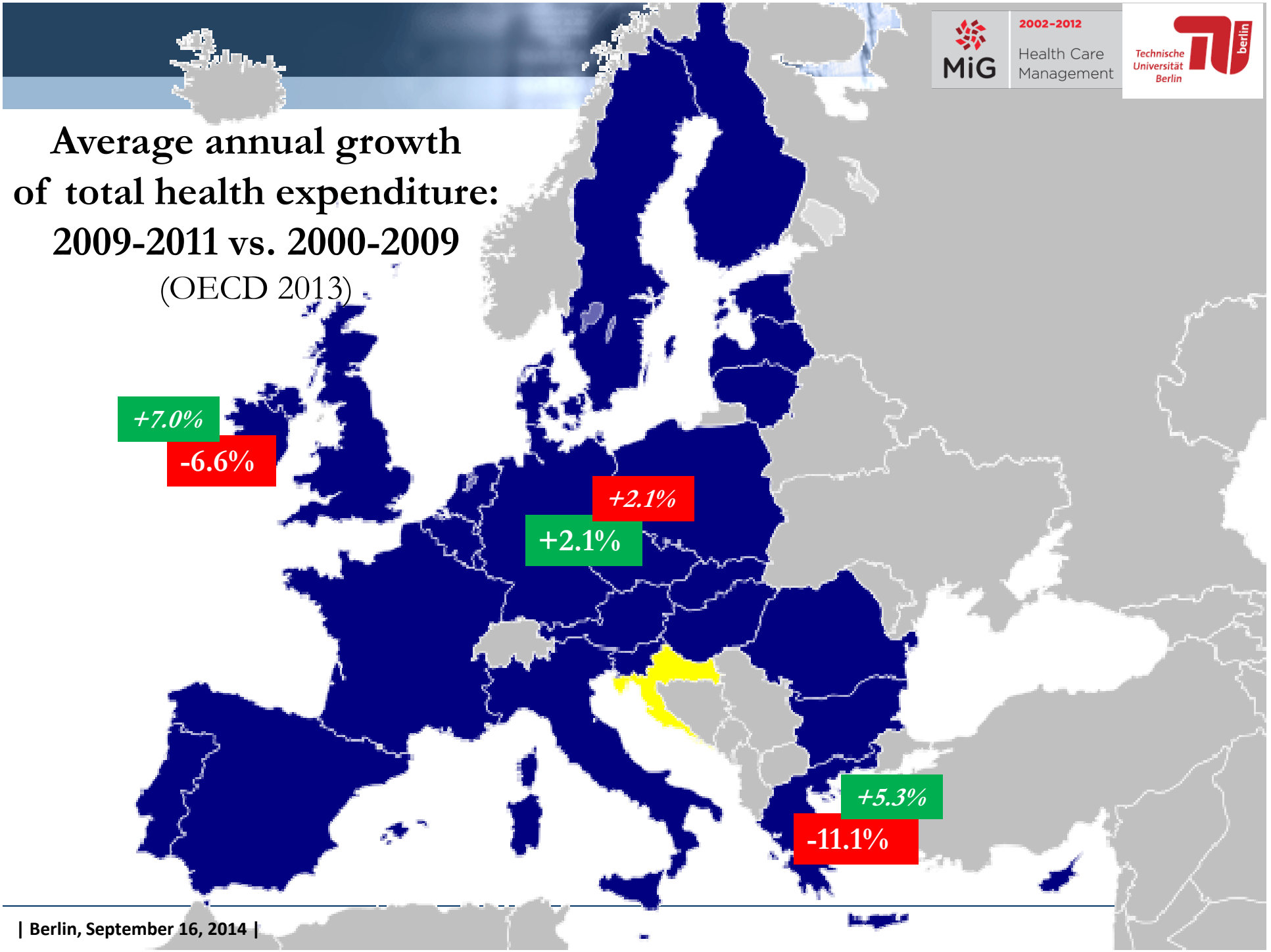
Average annual growth of total health expenditure in crisis: 2009-2011

(OECD 2013)

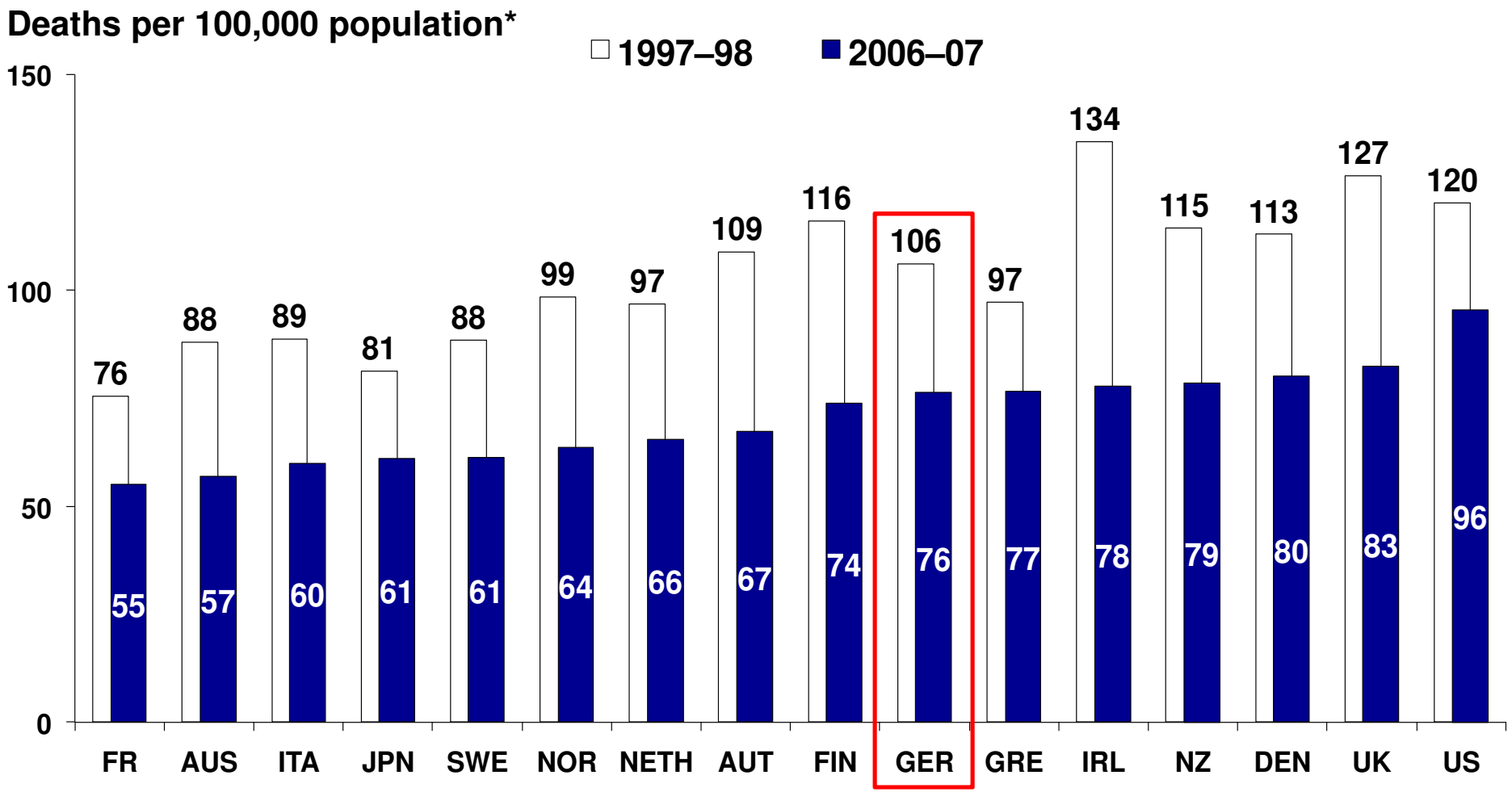


Average annual growth of total health expenditure: 2009-2011 vs. 2000-2009

(OECD 2013)



Avoidable mortality



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