



**ASSOCIATION EUROPÉENNE DES MÉDECINS DES HÔPITAUX
EUROPEAN ASSOCIATION OF SENIOR HOSPITAL PHYSICIANS
EUROPÄISCHE VEREINIGUNG DER LEITENDEN KRANKENHAUSÄRZTE
EUROPESE VERENIGING VAN STAFARTSEN
DEN EUROPÆISKE OVERLÆGEFORENING
ΕΥΡΩΠΑΪΚΟΣ ΣΥΛΛΟΓΟΣ ΝΟΣΟΚΟΜΕΙΑΚΩΝ ΙΑΤΡΩΝ ΔΙΕΥΘΥΝΤΩΝ
ASSOCIAZIONE EUROPEA DEI MEDICI OSPEDALIERI
DEN EUROPEISKE OVERLEGEFORENING
ASSOCIAÇÃO EUROPEIA DOS MÉDICOS HOSPITALARES
ASOCIACIÓN EUROPEA DE MÉDICOS DE HOSPITALES
EUROPEISKA ÖVERLÄKARFÖRENINGEN
EVROPSKO ZDRŽENJE BOLNIŠNIČNIH ZDRAVINIKOV
EUROPSKA ASOCIACIA NEMOCNICNÝCH LEKAROV
EUROPSKA UDRUGA BOLNIČKIH LIJEČNIKA
ЕВРОПЕЙСКА АСОЦИАЦИЯ НА СТАРШИТЕ БОЛНИЧНИ ЛЕКАРИ**

Document :	AEMH 07-033
Title:	National Report Germany
Author :	VLK
Purpose :	Information
Distribution :	AEMH Member Delegations, Participants in the 60th AEMH Plenary Meeting
Date :	16 April 2007

AEMH Delegates Meeting 2007 German Delegation Report

The period since last year's AEMH delegation meeting in Germany has been marked by two central events in health care politics. The first were the widespread strikes undertaken by hospital doctors, and the second is the 2007 health care reform legislation, the 'law of the century'.

1 The hospital doctors' strike

As early as January 2006, a large number of doctors associations in this country formed a huge protest march through the government quarter in Berlin, calling for improved framework conditions at the work place. These requirements were taken up in the spring of 2006 during the course of salary negotiations involving delegates representing the hospital doctors on the one hand, and delegates from the federal states – employers in the case of university clinics – and local authorities – employers in the case of local hospitals - on the other. These claims received strong support through an unprecedented wave of demonstrations which lasted into the summer of 2006. Hospital doctors called for substantial salary increases, improved working conditions, and above all an end to the ever increasing numbers of hours spent on duty.

During the course of these negotiations, the *Marburger Bund*, a doctors association with over 100 000 members most of whom are junior hospital physicians, emerged as both an independent and successful salary negotiator. In June 2006 the association succeeded for the first time in this country in negotiating from the employers side a standard remuneration rate for doctors. The ambitious goals of salary increases of up to 30% which the *Marburger Bund* demanded were clearly not reached in this form, yet during the talks the association proved itself to be a strong and independent negotiating body, one employers' associations will have to reckon with in the future.

One effect of these 2006 salary negotiations - according to figures issued by the German Hospital Association – will be the additional burden of an estimated €1.5 billion to the budget of hospital financing bodies, costs which will not be refinanced by medical insurance companies in this form. They will have to be offset through measures as personnel reduction or changes to hospital structures.

2 The 2007 health reform legislation

Since the last federal elections in September 2005, Germany has been ruled by a Grand Coalition comprising the Christian Democrats and the Social

Democrats. This government's health care policy objective is to guarantee patients high quality care within the framework of an efficient health care system irrespective of demographic factors. In early February 2007, eighteen months after the announcement of this objective, legislation was passed in the form a law aimed at strengthening competition in the statutory medical insurance sector.

The purpose of this legislation is to create stable finance structures, to install fair competition between the private and the statutory medical insurance sectors, to strengthen competition in the statutory sector, and to further relax the distinctions between in-patient and out-patient care.

In order to create a financial basis which guarantees the future of health care services in Germany, the federal government itself now intends to fix the insurance contributions payable each year. These contributions will, together with funds from the state budget, flow into a health care fund. Basically, the statutory medical insurance companies will receive from this fund a uniform flat-rate sum for each person insured, with which they will be required to finance the health care services their clients require.

Should the flat-rate payments be insufficient to cover costs, the insurance companies are empowered to levy an additional contribution which may not exceed 1% of that portion of the person's income upon which health insurance contributions are calculated.

We can safely predict today that these truly substantial changes to the system will fail to provide a sound basis on which to finance statutory insurance sector services in the future. The fixing of insurance contributions by the state is something clearly open to political influence. The monies paid into the health care fund from the federal budget are not counter-financed, and as such are subject to the politics of the day and to the overall state of the economy. An increase in insurance contributions is only a matter of time. New and costly administrative structures will need to be implemented, with little additional money flowing into the system.

All in all, these new measures will lead to a marked deterioration in the system as it stands today, and will under no circumstances guarantee the future financial basis of the health system in this country on a nationwide basis.

A further reform measure is the anticipated first step towards bringing into line the private and the statutory health insurance sectors. In future, private companies will be required to offer a basic rate of charges as an option to all those whose income lies above the obligatory insurance limit, without first requiring a health check-up. Both the spectrum of services offered and the basic rate charged must be geared to those of the statutory insurance sector.

Since private insurance companies are not in a position to offer this rate and cover expenses at the same time, the additional costs will have to be offset against other rates charged by the companies. The increase in such rates which will in turn cause many holders to cancel their private insurance policies. The 2007 health reform legislation will set in motion the slow yet certain demise of private health insurance.

A further measure contained in the legislation is the anticipated reduction in hospital budgets by an estimated €350 m. in both 2007 and 2008. These 'enforced contributions' are aimed at setting hospital finances on an even keel. The result for the hospitals will be the withdrawal of sizeable funds from patient care services, which will mean a reduction in the quality and scope of patient care.

All in all, the German Association of Senior Hospital Physicians is of the opinion that the health reform clearly fails to achieve the government objectives, and feels it would have been better if it had never happened.