

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 ΙΔΤΡΩΝ 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 ASOCIATIA EUROPEANĂ A MEDICILOR DIN SPITALE

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## Country Report Germany by P.D. Dr. Michael Weber President VLK

#### **Current situation:**

The current situation of hospitals in Germany is primarily characterised by the consequences of the pandemic. The hospitals are experiencing considerable declines in the number of cases - by 13% on average - with corresponding losses in revenue under a DRG payment system that only remunerates services rendered. In addition, they have to cope with considerable staff shortages, which have led to an increased impact of the new lower nursing staff limits (PpUG) introduced a few years ago and have resulted in bed closures and service shifts. Various models of financial support for revenue shortfalls and cost increases of the hospitals in the pandemic from tax revenues and budget balancing, which helped the hospitals a great deal, are now coming to an end. As a result, an explosive economic situation is emerging in many places, and this in times of very tight public coffers and declining revenues for the health insurance funds.

In view of this initial situation, numerous reform projects are pending, which should result in an improvement of the care landscape but are also under the dictate of saving financial resources.

# **Hospital structural reform:**

A comprehensive structural reform plans a reduction of locations and centralisation for more complex interventions. The reform efforts are particularly difficult because in Germany's federal system of government, hospital planning is a matter for the Länder, and the federal government only has access to it via detours of obligatory structural and quality measures. The Federal Ministry of Health has just appointed a commission of experts to come up with proposals. It will be interesting to see how the balancing act between nationwide care and centralisation will succeed, especially in the conurbations. Various federal states already have models for this, some of which are far advanced, but they vary greatly.

## **Outpatient care:**

In Germany, the number of hospitals and hospital cases is significantly higher in international comparison, e.g., other countries in Western Europe or the USA. Estimates suggest that between 10 and 20% of inpatient treatment cases are so-called "outpatient-sensitive" cases. In addition to medical-technical progress, which has led to a simplification of many interventions, the increasing cost pressure in the health care system, an improved patient orientation and also the shortage of skilled workers (e.g., in nursing staff) are frequently put forward arguments for shifting services previously provided in the inpatient sector to the outpatient sector. A current expert report advocates the outpatient provision of more than 2500 procedures. Negotiations are currently underway on how this should be implemented in detail and on what prices can be agreed. The VLK favours a solution via the establishment of hybrid DRGs with uniform remuneration for hospitals and contract physicians - regardless of whether the intervention is performed on an outpatient or inpatient basis. Those acting locally could then decide on the procedure, for which they also bear the responsibility. This would first and foremost serve patient safety and promote a substantial increase in the provision of outpatient services.

#### Personnel:

The shortage of skilled workers will shape the health care system for years to come. This situation must be dealt with in a constructive and solution-oriented manner. In this context, quick action is indispensable, as many nurses are considering changing their profession due to a high level of dissatisfaction with their working conditions. Many young nurses clearly state that the profession does not represent a long-term perspective for them. Doctors are also increasingly dissatisfied with their working conditions. At the same time, they are regularly confronted with attractive offers outside their clinical work. Although there has been significant investment in training for nurses and the number of medical students is also increasing, it will still take years before this really eases the burden. In addition, a one-sided negative image of hospital work is often conveyed, which makes it even more difficult to recruit new staff.

# **Emergency care:**

The hospitals will continue to play an essential role in outpatient emergency care in the future, as in many places only they can ensure a 7-day 24-hour service. Even now, the majority of outpatient emergency care takes place in the hospitals' outpatient departments. Currently, there is great controversy about the introduction of a so-called "initial assessment procedure" in hospital outpatient departments, with the aim of filtering out patients who are more easily ill in order to send them on to doctors in private practice.

# Digitalisation:

The digital backlog demand of the German health care system was comprehensively addressed for the first time in the current legislative period. Nevertheless, there are still hospital locations today where even the prerequisites for a broadband connection are lacking. Legislators must oblige telecommunication providers to make a broadband connection available at all planned hospitals.

Considering the number of open points from hardware to software, from networking to cyber security, the financial subsidies are merely a drop in the ocean. Hospitals in particular, which often have the biggest deficits, are also overwhelmed with the complexity of the content as well as the IT project-specific project management requirements.

## Remuneration reform:

The introduction of the DRG system had promoted efficiency and transparency. Today, however, a comprehensive reform of operating cost financing and thus of the fee-per-case system (DRG system) is imperative, as hardly any further improvements in efficiency can be expected, while the negative effects of a system based purely on flat rates per case are becoming increasingly apparent. The political will of the governing coalition provides for greater consideration of retention costs and the introduction of hybrid DRGs.

## Covid-19 pandemic:

Since the beginning of the pandemic, a good 525,000 COVID-19 patients have been treated in German hospitals, 185,000 of them in intensive care units. The regional differences in the workload of the hospitals were enormous, corresponding to the varying extent of the infection. According to the DIVI Intensive Care Register, approx. 60% of the intensive care patients were treated in priority or maximum care hospitals, 40% in basic and standard care hospitals. Germany was in a comparably favourable starting position due to its high density of hospitals and intensive care units in an international comparison, even if this can also quickly reach its limits in view of exponential growth. Therefore, the provision of reserve capacities was more than sensible. The limiting factor was and is the staff shortage, especially in the intensive care units. There are fears of further thinning out due to fluctuation after the end of the pandemic as a result of the continuing overload. Currently, the occupancy rate of hospitals with COVID-19 positive patients has been declining for weeks and is increasingly relaxed. As of 03.05.2022, 12,920 patients were in general care and 1,319 in intensive care. The hospitalisation incidence is 4.16 (DKG data).

#### Conclusion and recommendations for action:

The German hospital landscape shows a considerable need for reform. But the picture of alleged grievances at German hospitals sketched out in public by many experts, foundations and health insurers is completely exaggerated. The VLK fears that such scandalisation of allegedly or in individual cases actually poor hospital services is intended to pave the way for radical political decisions that otherwise seem unimaginable.

But where is the solution to improve the care structures? The VLK does not believe that a radical structural adjustment and restriction to hospitals providing specialist and maximum care will achieve the desired results. They will by no means be sufficient for post-pandemic care. Germany needs a healthy mix of hospitals that - in a tiered system - on the one hand does justice to the care of an ageing population close to home and on the other hand leaves complex interventions to the maximum and priority care providers. Minimum volumes and structural requirements are important instruments, but they must be set with a sense of proportion and not misused as a means of structural adjustment. A reform of financing by securing investment financing and a reform of DRG revenues is long overdue. Alternative, regional financing systems are also conceivable. Cross-sectoral care models or MVZ structures as care centres should be examined in each individual case as alternatives for basic and standard care providers, especially those without an emergency level or intensive care unit. At the same time, these can secure the needy outpatient care in rural regions. Due to our demographic development, there is still an enormous need for this. Structural reforms are supported on the basis of real figures and regional needs. The principle of federal planning is to be maintained; the VLK is critical of structural interventions by the federal government through laws or guidelines of the G-BA. Structural reform must be seen much more from the point of view of patients and local service providers.

In the past, insufficient funding has led to a problematic thinning out of nursing staff. The attempted solution with the introduction of the nursing budget and nursing staff floors now leads to compensation mechanisms through excessive cuts in other professional areas, such as doctors. Here, only fair staffing instruments can contribute to pacifying the situation and ensuring high-quality care.

Medicine needs good doctors in sufficient numbers, and so do hospitals.