



# Comparison of International Healthcare Systems: Germany

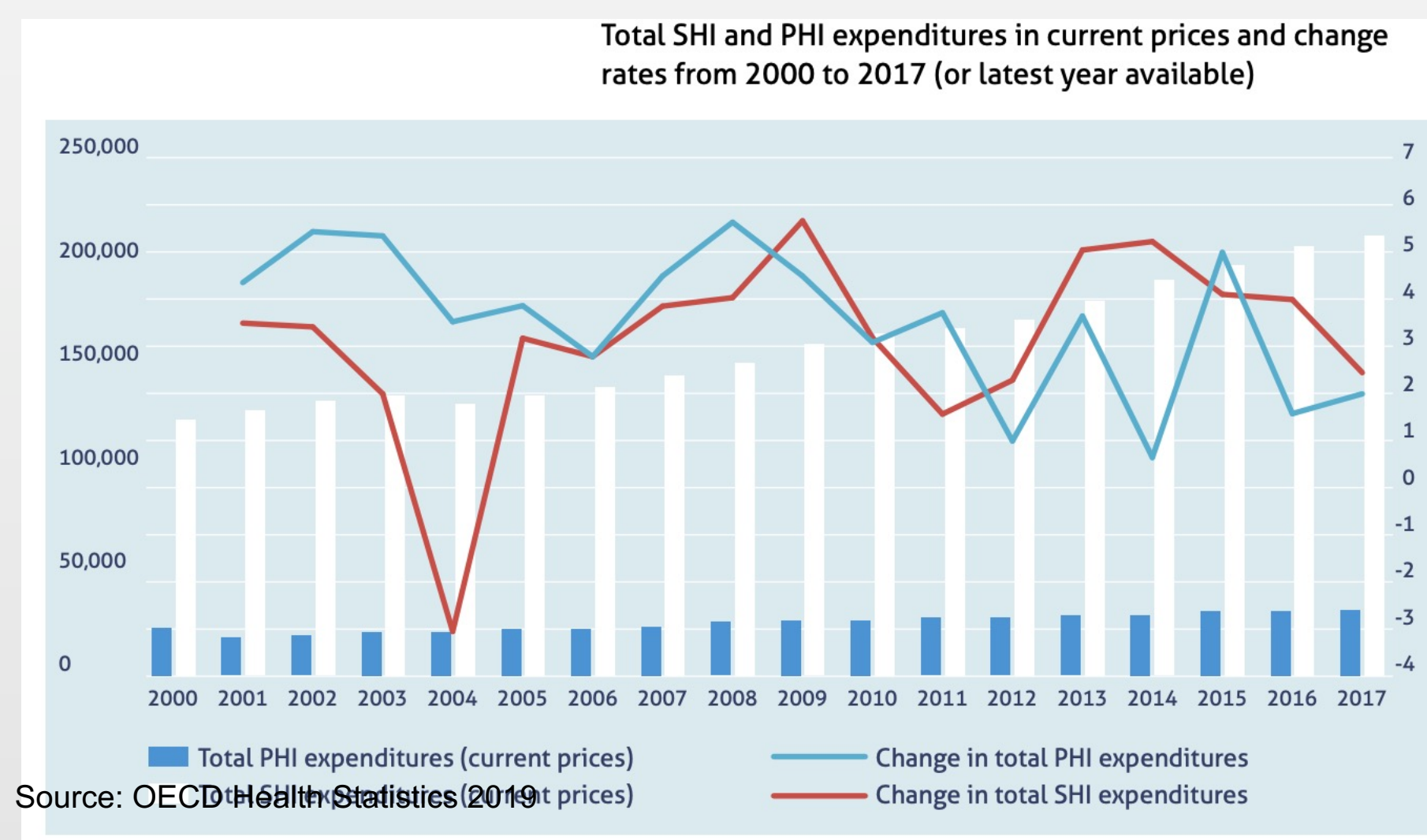
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## Overview

- World Health Organization rank 25
- 11.7% of Growth Domestic Product (GDP) spent on healthcare
- Universal health coverage
- Low out of pocket costs
- Short waiting times
- Choice of provider



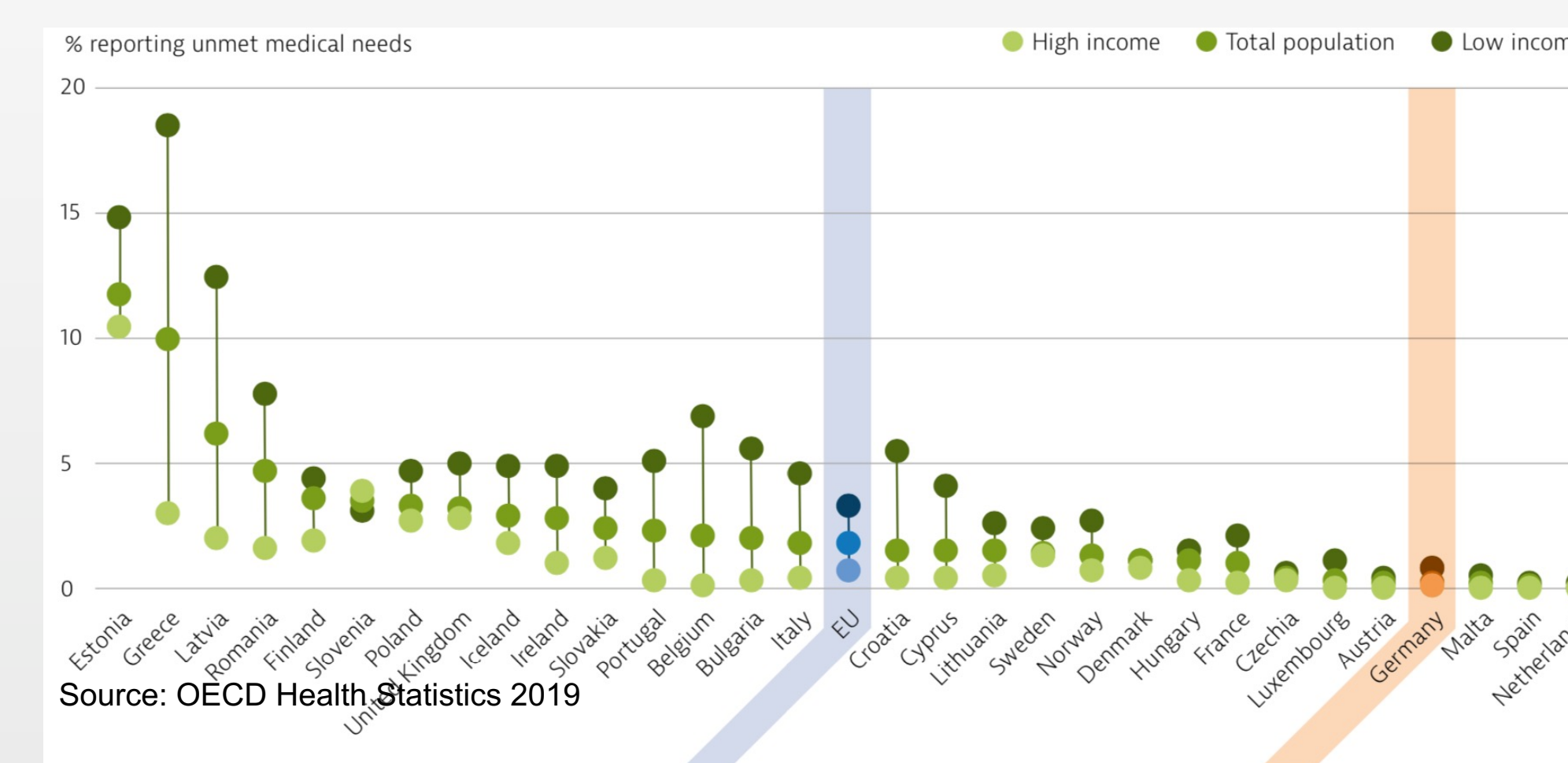
## Financing/Supply

- Health insurance is financed primarily through income-related contributions deducted from employers, employees, and tax revenues (OECD, 2019)
- SHI contributions
  - 14.6% of wage related income paid by both employee and employer (Busse et al., 2017)
- Central Health Fund is reallocated to the sickness funds according to a morbidity-based risk adjustment system
- Pharmaceutical drug prices are regulated by mandatory discounts and internal reference pricing
- Federal law requires all residents to have health insurance (OECD, 2019)

“In his hand are the depths of the earth, and the mountain peaks belong to him. The sea is his, for he made it, and his hands formed the dry land.” (New International Version, Psalm 95:4-5)

## Provider Choice

- Citizens freely choose healthcare providers and hospital systems (Busse et al., 2017)
- Hospitals and providers sign contracts with health insurance agencies (Rajfur et al., 2018)



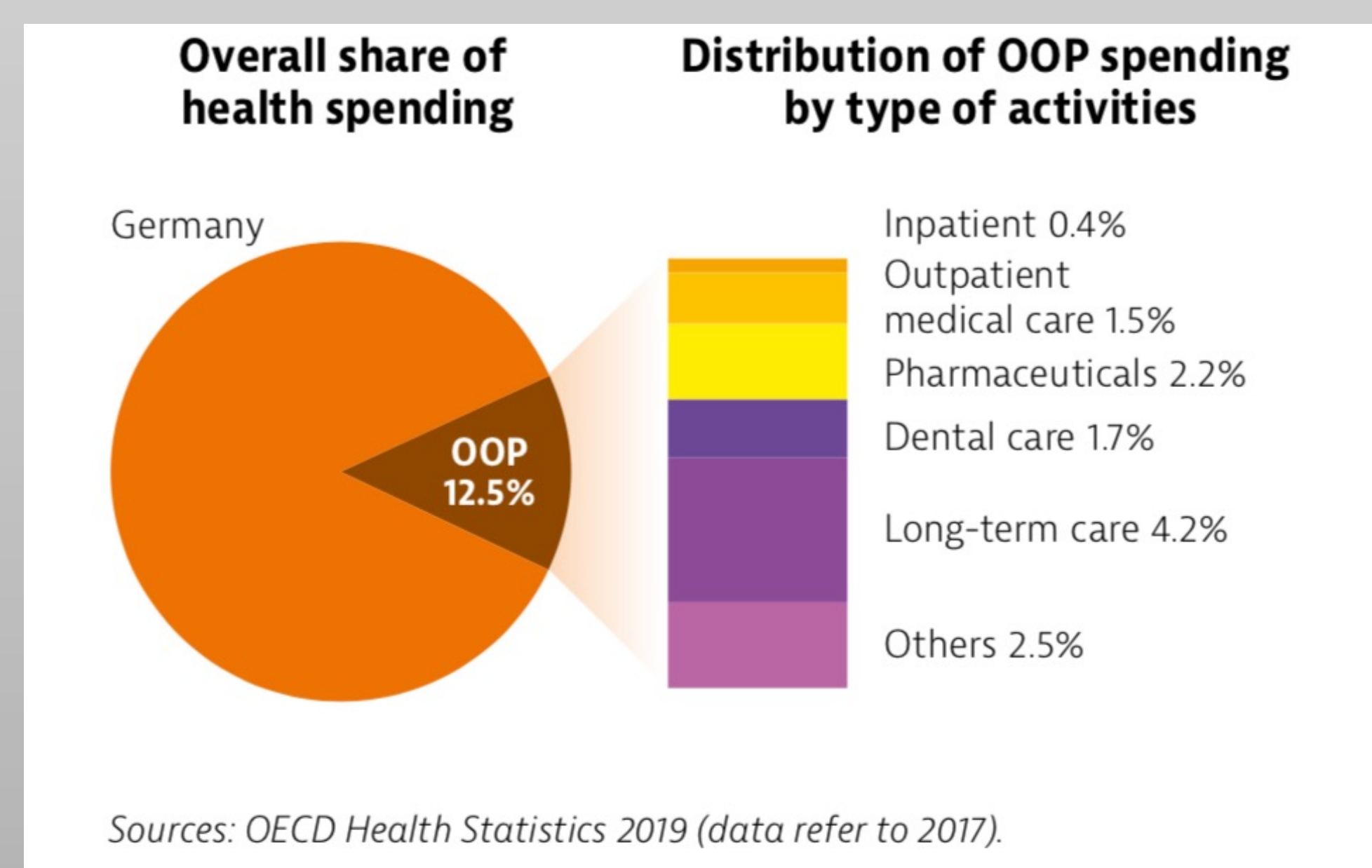
## Reimbursement

- Physicians receive payments from a diagnostic related group (DRG) system for inpatient services
- Physician outpatient services are based on a fee-for-service model (OECD, 2019)
- Reimbursement rates are set at a federal level but may be adjusted on a state level
- Reimbursement rates are based on the average market cost for providers (Busse, et al. 2017)



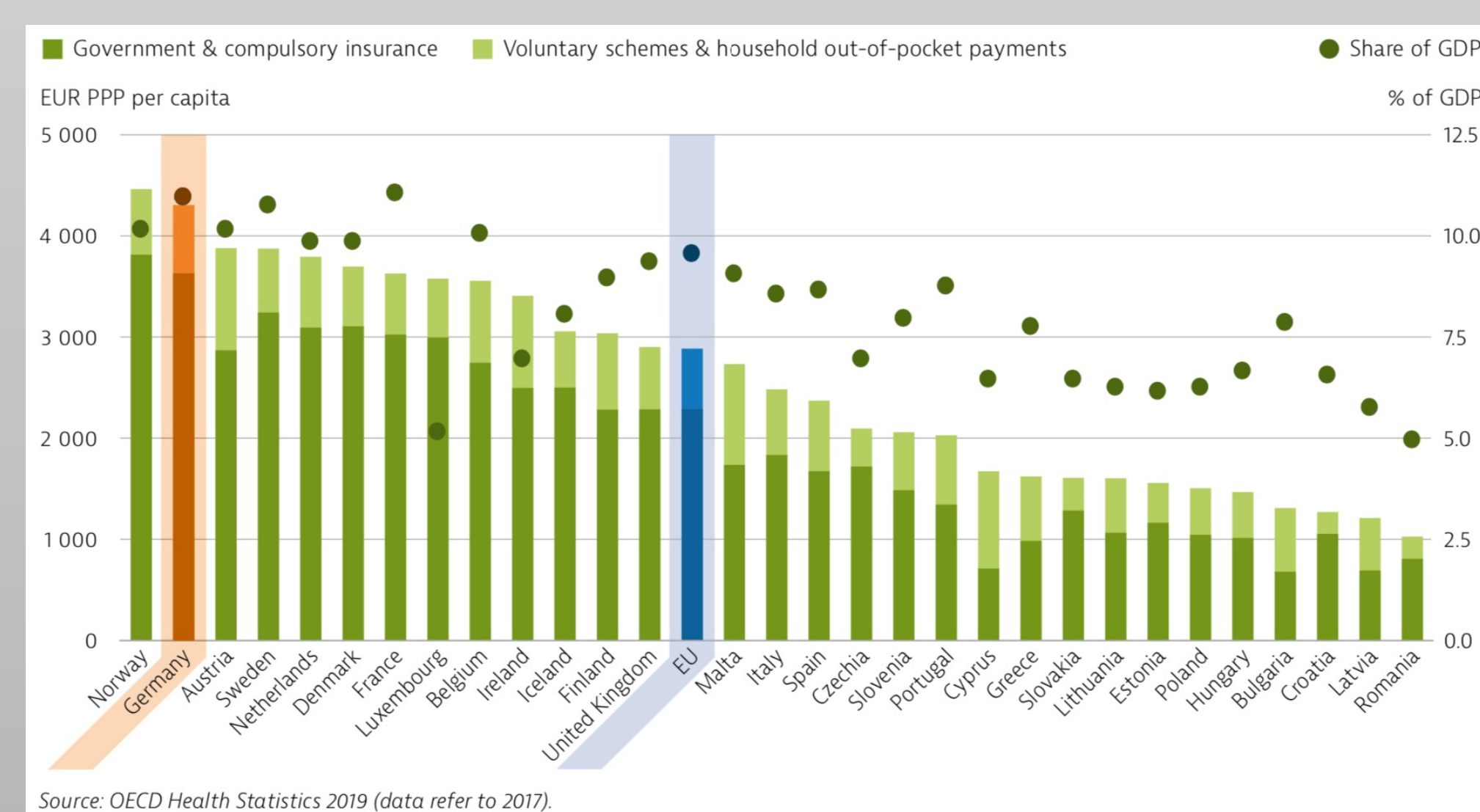
## Payer System

- Multi-payer statutory health insurance (SHI) covers 87% of the population
- Private health insurance (PHI) is provided by 41 companies and covers the remaining 11%
- Special schemes cover specific populations including police and soldiers (OECD, 2019)



## GDP Health Care Spending

- In 2017 Germany spent EUR 4,300 per capita on healthcare (11.2 % of GDP)
- GDP spent on healthcare is higher than the EU average of 9.8% (OECD, 2019)
- Spending caps set for hospitals, ambulatory care and pharmaceuticals (Busse et al., 2017)



## Production

- There are 4.3 doctors and 12.0 nurses per 1,000 citizens
  - Higher than the European Union (EU) averages (Doctors 3.6/1000 and nurses 8.5/1000)
- Shortest waiting times for specialist appointments in the EU
  - Only 3 % wait for two months or longer
- 43% of physicians work as general practitioners (GP) and 57% work as specialists
- 8 hospital beds per 1,000 people (OECD, 2019)

## Challenges

- Germany has the highest spending on pharmaceuticals in the EU per capita
- Working-age population is decreasing which will procedure future workforce gap
- SHI has longer wait times than PHI due to lower reimbursement rates (OECD, 2019)
- Rural dwellers travel twice as long to see GP compared to urban areas (Baier et al., 2020)

## References

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- Busse, R., Blümel, M., Knieps, F., & Bärnighausen, T. (2017). Statutory health insurance in Germany: A health system shaped by 135 years of solidarity, self-governance, and competition. *The Lancet*, 390(10097), 882–897. [https://doi.org/10.1016/S0140-6736\(17\)31280-1](https://doi.org/10.1016/S0140-6736(17)31280-1)
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