<table>
<thead>
<tr>
<th>Document</th>
<th>AEMH 03/044</th>
</tr>
</thead>
<tbody>
<tr>
<td>Title:</td>
<td>National Report Germany</td>
</tr>
<tr>
<td>Author:</td>
<td>V.L.K.</td>
</tr>
<tr>
<td>Purpose:</td>
<td>Information</td>
</tr>
<tr>
<td>Distribution:</td>
<td>AEMH National Delegations, Participants in the 56th AEMH Plenary Meeting</td>
</tr>
<tr>
<td>Date:</td>
<td>August 2003</td>
</tr>
</tbody>
</table>
Report of the German delegates to the AEMH Plenary Meeting

For reasons which will be explained verbally, the German delegation will not present the requested statistical information.

Instead, it is intended briefly to explain three main topics, which, in the opinion of the senior hospital doctors, were of crucial significance during the period from the last delegates assembly in Berlin up to this year's delegates assembly.

1. Approval of new regulations governing further training

The 106th Conference of German Doctors (the German doctors' "parliament") this year approved the latest update of model regulations governing further training. According to this regulation, there will in future be three categories of further training: specialist, main area of work and additional description. The qualification as a specialist can be obtained in 32 medical areas and there will be 18 main areas of work.

A particularly difficult area and one which in the senior hospital doctors' opinion will have negative repercussions is the planned regulation concerning the area of internal medicine. According to these model regulations governing further training, the future internist will either be a specialist for internal and general medicine or a specialist having a description relating to his main area of work. The "pure" specialist in internal medicine will cease to exist.

Compared with the further training of an internist which existed until now, the competence of this category of doctor as an internist has been dramatically restricted. For the following further training structure is planned:

Two years internal medicine based in the hospital
One year further education in another area counting towards the final qualification
Two years further training in general practice in the out-patients' department.

In the opinion of the German Association of Senior Hospital Doctors (VLK) this will result in the following grave disadvantages in the medical care of the population, both in the hospital and as out-patients:

- the essential contents of an internist's further training programme as accepted by all participants cannot remotely be accommodated in just two years of further training
- because these departments will be cut off from qualified junior staff, a collapse of internal medicine departments not organised by main area of work will occur in the hospitals
- since knowledge of internal medicine ultimately also forms the basis of an understanding of numerous illnesses in a variety of different specialist areas, the
absence of the specialist area "internal medicine" would also lead to serious
defects in the training of doctors in the universities
- there will no longer be jobs for assistant doctors who wish to acquire a wide
specialist knowledge of internal medicine
- the legal security of further training lecturers will be considerably impaired. They
would in future have contracts of employment for a period of two to three years
only instead of six years as at present

2. The introduction of diagnostic-related groups (DRG's)

After a relatively short introductory period of three years, the remuneration of medical
services performed in the hospital by means of a DRG-system has been started: Parallel
to the payment system based on treatment charges currently in force, approximately 900
hospitals have on a voluntary basis in addition and for internal use also presented their
accounts on the basis of DRG. This system will become obligatory for all hospitals with
effect from 2004.

Over the period 2004 to 2006 DRG prices, calculated initially on an individual basis,
will gradually be equalised into uniform prices for identical services throughout the
country. From 2007 throughout the whole of Germany medical services – with the
exception of the psychiatric sector - will be charged according to this system.

A number of practical problems have already emerged. Above all hospital doctors will
have to assume major new tasks: they must maintain the documentation and perform the
coding and are responsible for the correctness of the DRG's vis-à-vis the institutions
responsible for the hospitals.

3. New legislation in the health sector

Roughly 90% of the population in Germany is protected by the statutory health insurance
scheme. The contributions to the statutory health insurance scheme are linked to
employee incomes. Up to a defined income limit for the assessment of contributions, a
certain percentage of the employee's income is paid into the statutory health insurance
scheme. This contribution is shared 50/50 by the employer and the employee.

Against a background of the weak economic situation in Germany and rising
unemployment, the strict linking of contributions to the statutory health insurance scheme
to employee incomes means that in the current situation the income received by the
health insurance fund is not sufficient to fully cover the medical care of those insured.
Necessary increases in the rate of contribution would however, according to the system
described above, due to the 50% participation of the employers, also lead to an increase
in ancillary wage costs. This development is however, for reasons of the economic
efficiency of industry, politically undesirable.
Politicians have therefore for years made repeated attempts, but particularly in this year, to limit by means of further laws the increase in contributions to the health insurance scheme. This year a “Health System Modernisation Law” is intended to prevent an increase in the expenses of the health insurance fund.

Since the political system in Germany does not currently allow the governing coalition to get laws of this nature approved by means of its own majority in the upper house of parliament – the Bundesrat –, a working group made up of all political parties has been formed which has put together a draft law crossing party boundaries, which is currently being consulted upon in political circles.

This draft law proposes amongst other things to reduce the expenses of the health insurance fund by means of an increased contribution on the part of the insured to the costs of prescriptions, visits to the family doctor or for the first twenty-eight days of a stay in hospital. The discontinuation of the reimbursement of the cost of dental treatment is also being considered, such that insuring against this type of risk will become the sole responsibility of the persons insured.

According to estimates made by members of all the political parties, these changes will within a few years allow the current contribution rate to be reduced by approximately 1.5 to 2 percentage points.

The politicians have however so far side-stepped making a clear decision on a new system of financing the health insurance fund, which is absolutely necessary. According to expert opinion, it is essential that the link between health insurance contributions and wages and salaries be ended and the income of the health insurance system be established on a basis which is relatively independent of the labour factor. In this regard a so-called “per capita flat rate payment” is under discussion, according to which every citizen – with the exception of children – would pay an equal contribution to the health insurance scheme. An amount of € 210.0 per month per person is being discussed.

As an alternative, a so-called “citizens’ insurance” is being discussed, into which civil servants and the self-employed would also make payments. Moreover, in addition to wages and salaries, other sources of income such as for example rents received and interest should also become the basis for assessing contributions.

It is still a fully open question as to which of the solutions proposed for the future financing of the health insurance system will finally be selected. The only matter upon which there is absolute certainty is that, in order that the medical services which the insured require can continue to be fully paid for by the health insurance scheme, a solution must be found.