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AEMH Plenary Session from 7-8 May 2010 in Lisbon

German Delegation Report

The German delegation will deal with three major issues in its report for the AEMH Plenary Session in Lisbon:

1. The new Federal Government’s health policy
2. VLK initiative pact to combat doctor shortage
3. Doctors in hospital management.

These issues are dealt with in greater detail below.

1. The new Federal Government’s health policy

In September 2009, general elections were held in Germany. The major outcome of these elections was the collapse of the Grand Coalition - hitherto in power - between the Christian Democrats and the Social Democrats, in favour of a new Minor Coalition between the Christian Democrats and the Free Democrats.

For health policy paradigms in this country, the announcements made in the coalition agreement point to a clear shift in emphasis, a departure from the path towards greater centralisation in state health care policy, towards one of increased competition and transparency.

On the subject of health care, the coalition agreement contains a wide band of declarations of intent against only a hand-full of relatively firm commitments. This points to the inability of the coalition parties to reach agreement, during the coalition talks, on many of the issues involved. When the time comes to work out the concrete form health policy will take, a great deal of potential conflict will first have to be resolved in areas where clearly no agreement could be reached during the coalition talks.
The small number of firm commitments contained in the coalition agreement clearly bears the hallmark of the Free Democrats and will certainly lead to an increase in the burden the man in the street will have to bear.

**Considerable change in the health system** is to be expected from **future financing models**. Financing at present is through contributions paid by all persons in employment whose earnings do not exceed €3,750 per month. Each employee pays the same 14.9% of his or her gross monthly income.

Hitherto, 7% of the contribution was covered by the employer, 7.9% by the employee. In future, the percentage covered by the employer will be frozen at 7%, meaning that the anticipated increase in the cost of financing the health service will be borne exclusively by the employee.

Furthermore, **employee contributions** will no longer be calculated as a percentage of gross monthly earnings, but will be **paid on a flat rate basis, independent of the amount of earned income**. Every person in Germany who is not insured privately will therefore pay the same national health contribution. Given that a flat rate contribution scheme of this sort obviously favours high earners and disadvantages low earners, the social injustice resulting from the new scheme will be offset by tax concessions.

Details of this new system will be worked out during the course of the current year by the members of a German Government Expert Commission.

According to VKL estimates, the **flat rate monthly payment** for each person insured, including family members, will be in the region of €133. The form which compensation will take, and the amount involved, are unclear at present.

The introduction of the flat rate payment scheme is a source of major controversy, even amongst the coalition parties. The question of its deeper meaning remains unanswered, particularly since the new financing model will clearly fail to add one single euro to the health service system.
2 VLK initiative pact to combat doctor shortage

A VLK analysis illustrates in clear terms that, by 2017, Germany will need replacements for the 91,300 doctors who, by this time, have either reached retirement age or decided to migrate abroad.

In contrast to this figure are the estimated 76,000 graduate doctors, who, according to the analysis, will be available in Germany by 2017 as replacements, always assuming the present framework conditions remain unchanged.

By balancing the estimated requirements against the estimated number of replacements we see that, by 2017, Germany will have a clear deficit of 15,300 doctors, a figure which fails to take into account requirements necessarily arising from demographic change, continuing medical progress, and the increasing numbers of women in the profession.

In light of this analysis, the VLK has compiled a wide-ranging catalogue of measures which, if applied, could contribute to dealing effectively with these shortages.

These measures include:

The drawing-up of an alternative concept to that at present in force regarding the selection and admission processes for students wishing to study medicine

An increase in the number of places to study on offer to medical students, not only in the clinical, but also in the non-clinical sector

A reduction in the bureaucratic and formal barriers in the granting of professional permits to non-European doctors wishing to practice in Germany

A change towards a more realistic approach to the regulations governing continued professional training
The reorganisation of the areas of doctor responsibility in hospitals aimed at making possible the return to core activities

The elaboration of a catalogue of measures designed to improve framework conditions for doctors in hospitals.

Against this background, the **VLK proposes the signing of an initiative pact to combat doctor shortage**, in which the leading institutions and organisations which participate at senior level in the shaping of the health care system in Germany should work together and coordinate their efforts. The VLK has proposed that the new **Federal Minister of Health** should assume **overall charge** of the initiative pact. Whether or not the Minister will accept remains to be seen; his decision is expected shortly.

Should the Minister agree, a series of work-groups will, in line with the VLK concept, work out the concrete form these measures should take, to a point where they can be implemented to enable an effective and coordinated drive to combat doctor shortages with as little delay as possible.

### 3 Doctors in hospital management

In light of the increasing importance of financing in hospital care, the senior consultant must learn to think and act in global economic terms.

The VLK believes that on the one hand, it is the **responsibility of senior physician to acquire detailed knowledge of questions arising in areas of hospital and human resource management**, of **health policy** and **economics**, in addition to his professional expertise. Thus, in dialogue with the hospital finance managers, the best possible conditions not only for qualified patient care, but for the financial success of the hospital as a whole can be achieved.

On the other hand however, it follows that, in the view of the VLK, **a leading physician must be appointed as a senior member of hospital management team**.

Depending on the framework conditions in place, there are different levels on which senior doctors can be integrated into the hospital management team:
As medical director, responsible for both medical and financial management within the management team,

As medical director, responsible for only medical matters within the management team,

As medical director who exercises his function either full- or part-time, but in a less broad sense than that of managing director,

whereby the duties and responsibilities of doctors integrated at different levels within the management team will vary accordingly.

The VLK, together with the German Hospital Association and the Association of Hospital Directors, will attempt to classify the nature of these duties and responsibilities during a meeting to be held within the framework of the 33rd German Hospital Congress to take place in November 2010 in Düsseldorf.