



Federal Ministry
of Health



American & German Healthcare 2009: Healthcare Reform and Progress

Healthcare Reform and Progress-Key Elements of Reform

The Future of Health Care in different Systems

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What Health Care Systems should do

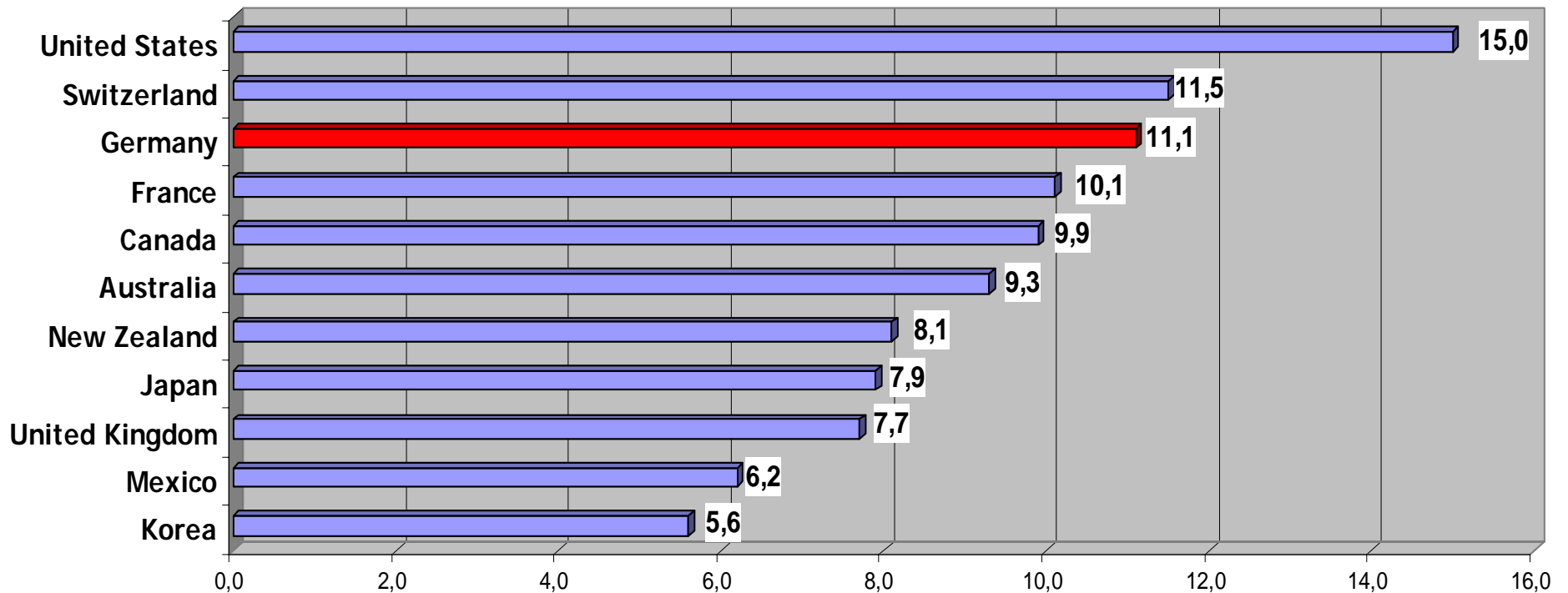
OVERVIEW

- Health Expenditure
- Health Care Systems
- What Germany's Health Care System does



Health Care Expenditures: Germany ranks third

Total Expenditure on Health as a percent of the gross domestic product (2003 -
OECD)





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The German Experience

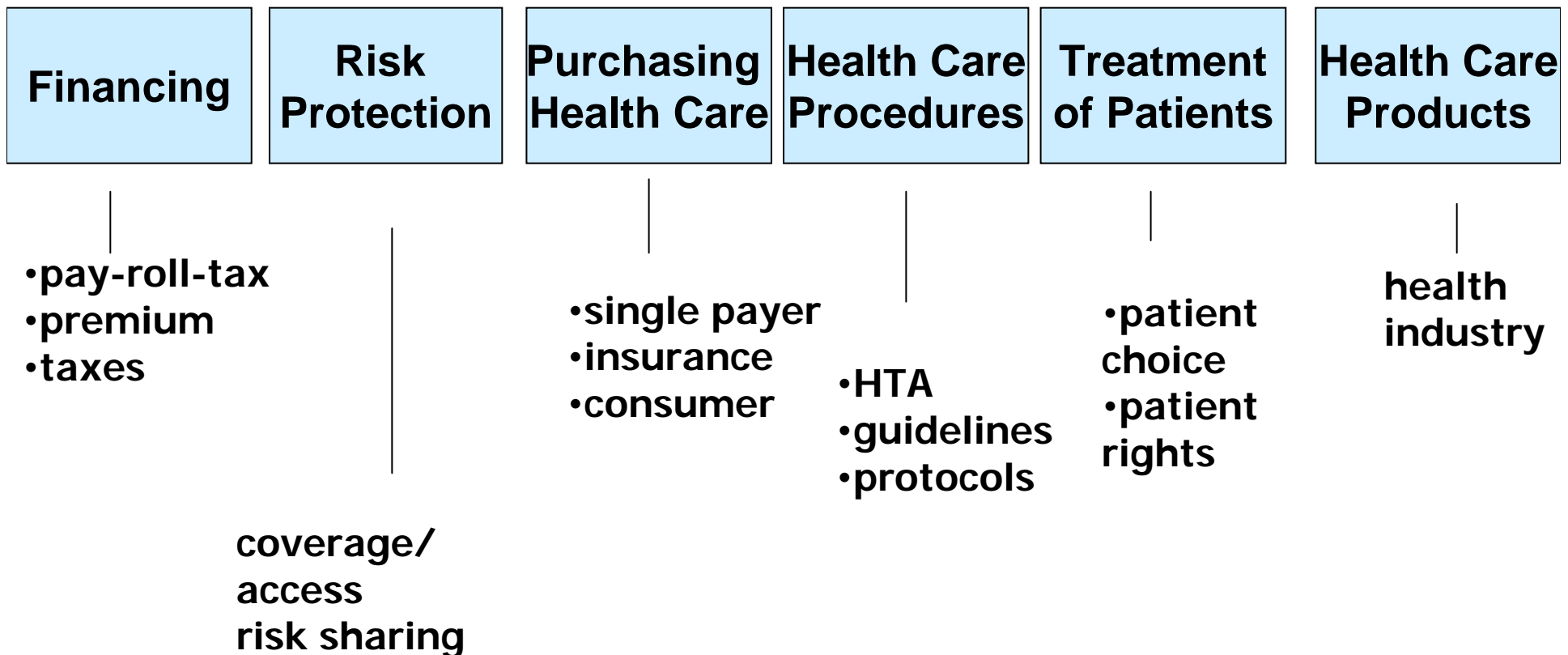


Otto von Bismarck
1815-1898

(Social Insurance Law – 1881)



Key functions of Health Care Systems

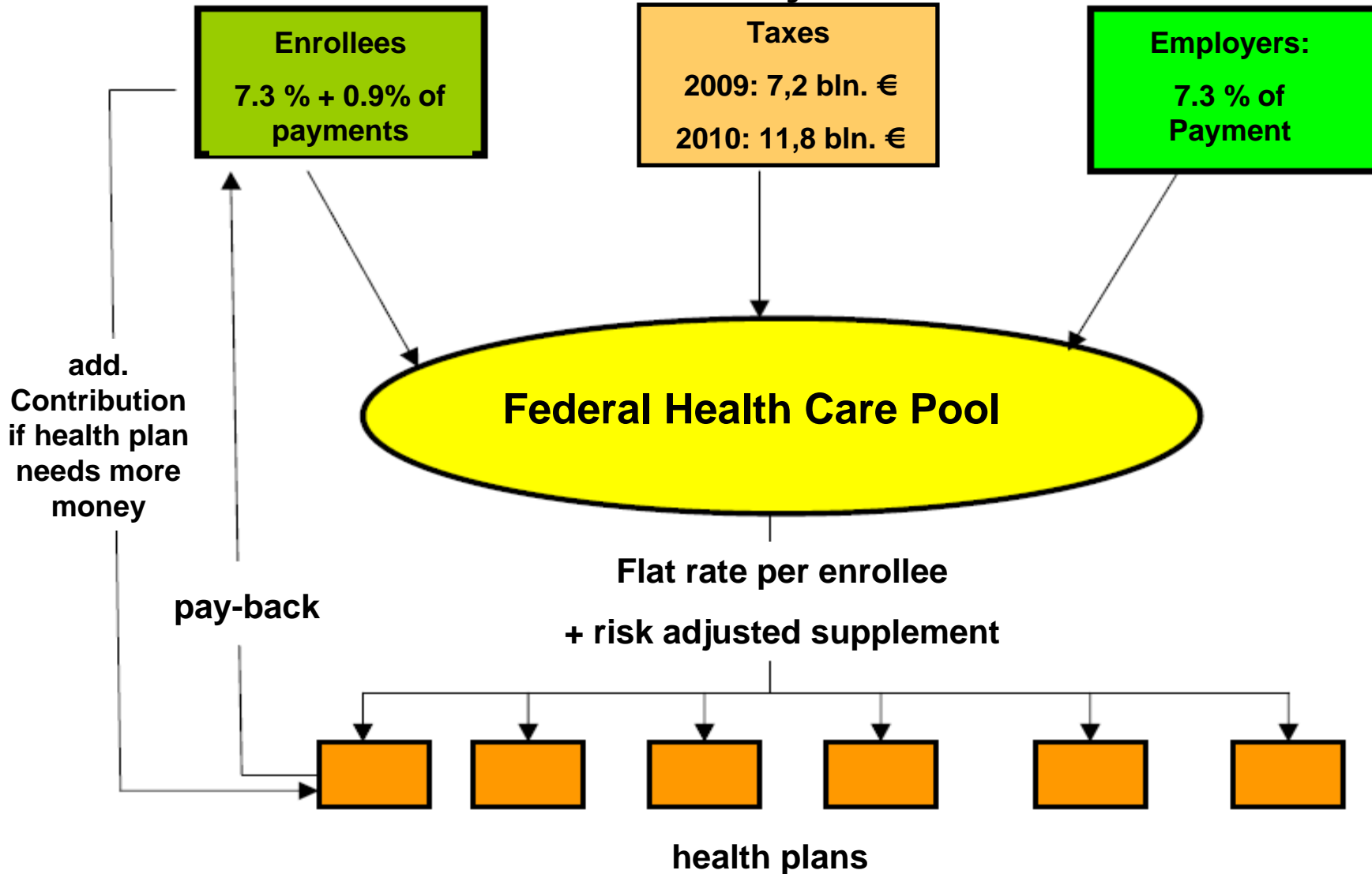




Federal Health Care Pool



Contribution rate: 15.5 % of payments
from 1th of July 2009: 14.9 %





Financing in Germany

→ **Federal Health Care Pool:**

- ◆ Uniform Payroll tax is fixed by the Government, retired persons are included
- ◆ Contributions for unemployed or people with low income are covered by money from the public=One system fits all: employed, retired, people on social benefits State Budget contributes to the Fund
- ◆ Out of pocket & Copayment
- ◆ mixed financing: contributions, taxes and out-of-pocket payments



Federal Health Care Pool

- Federal Health Care Pool pays risk-adjusted contributions per enrollee to health plans, calculated by a Federal Agency (Bundesversicherungsamt)
- health plans manage their budget: may offer additional medical benefits, pay refunds or raise add. fees = competition between Health Plans



Stabilization instruments for Health Care financing in the global crisis

- Additional tax contribution to the Federal Health Care Funds lowers contribution rate from 15.5 to 14.9 per cent
 - ◆ 2009: + 3 bln. €;
 - ◆ 2010: + 6 bln. €
- Federal Health Care pool guarantees in 2009 and 2010 coverage of health care spending at the contribution rate 14.9 per cent
- Tax payer covers deficits of the Federal Health Care by Interest-free stand by credits to be paid back when the economy recovers

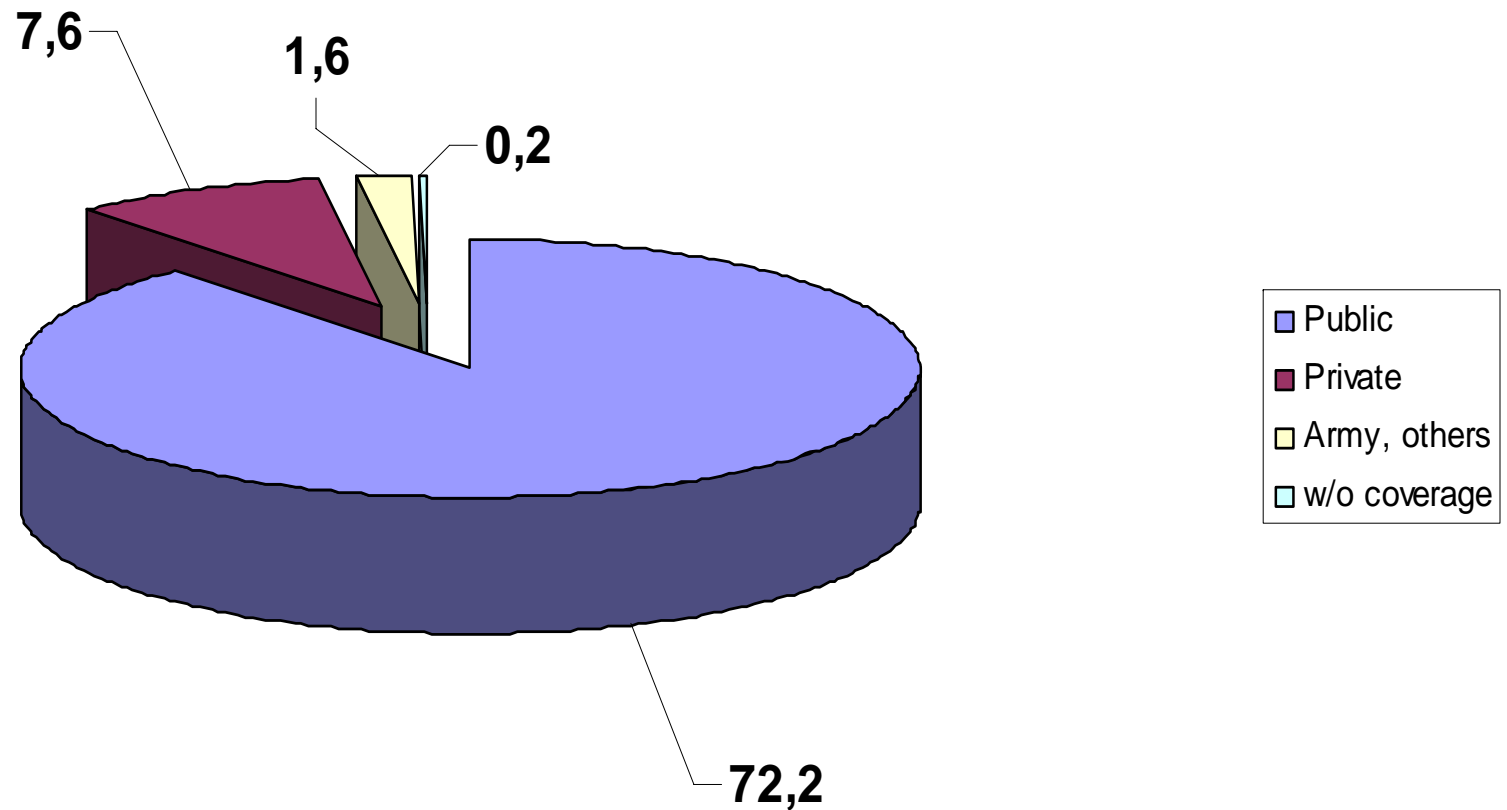


Risk Protection: Germany

- Everyone has to be enrolled in a public or private health plan – **no `opting out` – one insurance-system for everyone**
- Public, non-profit health plans [“Krankenkassen”] cover 90 % of the population
- Free choice of health plan
- Free choice of private doctors, hospitals, pharmacies, other services



Health Insurance in Germany (2005): Insured people (mln)





Purchasing Health Care: Germany

- Uniform list of **Benefits**
- Uniform **Prices** (Hospitals, Physicians)
- Uniform **Quality Standards**
- Details determined by self-administrative bodies: Federal Joint Committee & Contracts
Federal Associations of Health Plans & Suppliers
- **All public health plans have to provide at least one Managed Care Tariff (single contracting): free choice to enrol**



Purchasing Health Care

**Corporate
contracting**

Managed Care

Federal list of health benefits

free choice of tariff by the insured

- All health care providers in one corporation
- free choice of doctors + hospitals
- All insurances pay the same price

- insurer contracts with single providers
- Managed Care= Insurer selects health care provider
- Insured can choose several managed-care-tariffs



Conclusion: what Health Systems have to do

- Sufficient, sustainable funding:
 - ◆ resistant to crises
 - ◆ ensure full coverage and high quality treatment
 - ◆ support people with low incomes to afford health insurance
- Ensure cost-effective best quality available benefits
- Toolbox & Mix of instruments
- Strong political leadership to implement proper mix of instruments



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Any questions ?

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