

## Preface

The German Health Care System, established in the late 19th century, is historically the first universal health care system. After World War II, in line with the “Universal Declaration of Human Rights” of 1948, other universal health care systems emerged all over Europe, some following the German example, some coming up with new ways to administer and finance health care for their people.

The development of individual health care systems in Europe created a wide variety of variations, e.g. concerning the way systems are financed, the organization of the public health care system, the extent to which different stakeholders are involved (e.g. the state, insurance providers, professionals etc.), the main contributors and other interesting distinctions. In trying to understand the complex health care systems that have evolved, a large number of aspects need to be taken into account. On a governmental level, one of the most important aspects is cost-effectiveness. Although the German health care system is among the systems providing a very high quality of health care, it is also one of the most expensive and keeps undergoing reforms to reduce costs and maintain or improve quality.

This book aims to provide an interested international audience with insight into the “German way” of providing universal health care with all its advantages and disadvantages. We hope it will contribute to facilitating a better understanding of the German health care system by providing information on a multitude of aspects for scientific and practical discussions and exchange.



*Professor Joachim Fischer M. D.  
Director  
Mannheim Institute of Public Health (MIPH)  
Heidelberg University*



## Foreword to the Second Edition

It is with pleasure and much gratitude to our readers and contributors that we present the second edition of our guide to the German health care system.

Germany's health care market is clearly attractive: its sheer scale of about EUR 320bn makes it by far the largest market in the EU. In addition, an ageing, affluent population offers huge potential demand for healthcare products and services not covered by the public system. Deutsche Bank Research projects the German healthcare market will maintain a long-term growth rate of about 3.5% annually.

This system, however, is still deeply rooted in tradition and can be described as a form of *contrat social* of all those participating. By and large, patients will not demand unreasonable care, doctors will not abuse the powers vested in them, health insurance members will pay the contributions due and health insurers will refrain from rent seeking. An elaborate set of rules and regulations have evolved since the beginning of the social health insurance scheme in 1883 in order to strengthen these attitudes and enforce a compliant behavior.

This has led to a rather complex, stable but also somewhat inert system of providing health care to practically everyone in the country. In the classification of Anderson-Esping, Germany is an example of a corporatist-statist welfare capitalism, where major decisions are made on a consensus basis at round tables.

Based on Kaiser Wilhelm I.'s Imperial Message, major powers are given to the so-called self-administration, described by him as the „corporate co-operatives under state protection and state support“. This self-administration is geographically fragmented and under substantial influence from interest groups, which is not necessarily a bad thing, since local needs and the interests of those concerned in financing and providing care may be taken account of as a result.

To the newcomer, the workings of the system will remain at least partly incomprehensible for an extended period of time. We have seen numerous ambitious start-up companies aimed at „re-directing patient flows“ or „introducing a fully integrated IT-system for tracking all care provided“ that have



failed rather spectacularly. Similarly, many providers of innovative, cost-saving solutions in health care which have been successful abroad have failed in Germany for various reasons.

This book is intended to help you understand Germany's health care system. A crucial first step in disentangling the complexity is to understand the different markets for health care, i.e. the care financed by social health insurance and other social insurance schemes (about 70% of all expenditures) and all other sources of funding (out-of-pocket expenditures, private health insurance, employers, public funds). A second step is to understand who makes what purchasing decisions and how.

To foster this understanding, we have revised some parts of the book, have taken out the part on „Environment, Lifestyle, and Health Indicators“ (this is comprehensively and authoritatively covered in the Robert Koch Institute's publication „Health in Germany 2015“) and have added information on working as a health professional in Germany and on marketing medical devices. All data have been updated and some

factual errors as well as typing errors have been corrected.

We hope, this second edition will be received as favorably as the first one was and would be most grateful for feedback, comments, and suggestions for the future.

*Konrad Obermann  
Peter Müller  
Hans-Heiko Müller  
Bernd Glazinski*