

Germany

Summary

Germany's health care system is characterized by a mixture of statutory health insurance based on income, private insurance, and governmental schemes. The system is highly decentralized with responsibility shared among each state and the central government. It boasts equal and easy access to care and a high level of financial resources and physical facilities, but its high spending is criticized as not cost-effective.

Management

- The German health service is highly decentralized. Each of the 16 states share responsibility with the central government for the building and upkeep of hospitals, while the state-regulated health insurance providers exert some control over running costs.
- Health insurance plans are either state-regulated or private. Only certain groups are allowed to take out private health insurance.

Doctors and Hospitals

- Doctors working in hospitals are employed by the hospitals. Those working outside of hospitals are self-employed.
- Private health providers bill the patient and are paid by the insurance companies.
- Of Germany's 2,030 hospitals, 790 are publicly owned, 820 are private non-profit, and 420 are private for-profit.

Role of Employer

- Employers contribute equal amounts as employees (about 14 percent of the employee's gross income) to the state-regulated plans.

Role of Individual

- All German people must, by law, pay into health insurance plans until they reach the retirement age of 65. After retirement, contribution payments for state-regulated plans stop but coverage is continued until death (private plan payments do not stop).
- Individuals can choose from about 400 plan options depending on their individual circumstances.

Role of Government

- Each of the 16 states share responsibility with the central government for the building and upkeep of hospitals, while the state-regulated health insurance providers exert some control over-running costs.
- The government covers health insurance contributions for the unemployed and those with low income.

Who decides Benefits and Service?

- The government regulates the benefits and fees of state-regulated plans.
- Individuals can choose from about 400 plan options depending on their individual circumstances.

Universal Coverage

- By law, everyone must pay into health insurance plans until retirement. After retirement, contribution payments for state-regulated plans stop but coverage is continued until death.
- The government covers health insurance contributions for the unemployed and those with low income.

Financing

- Contributions from people's income to state-regulated health plans cover up to 68 percent of overall healthcare costs. Income taxes, funds derived from those with private health insurance, and out-of-pocket payments cover the remainder.

Health Care Insurance Premiums

- All German people must, by law, pay into health insurance plans until they reach the retirement age of 65. After retirement, contribution payments for state-regulated plans stop but coverage is continued until death (private plan payments do not stop).