

P4P in the German Health Care System



P4P Summit San Francisco
March 2009

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Agenda

1. The German Health Care System
2. German Health Care Reforms
3. First Approaches of P4P in German
4. Conclusion

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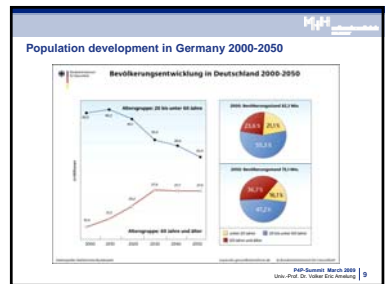
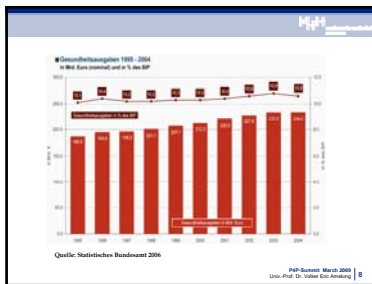
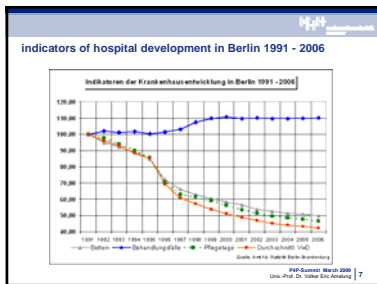
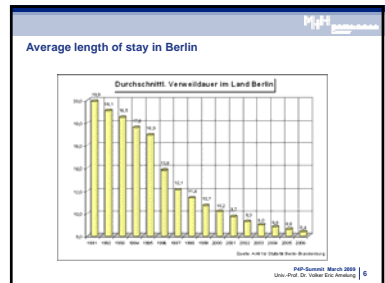
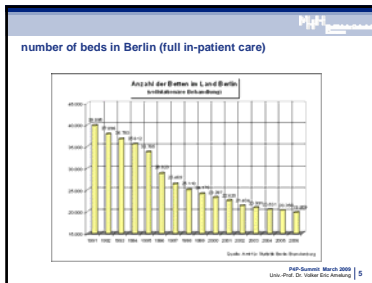
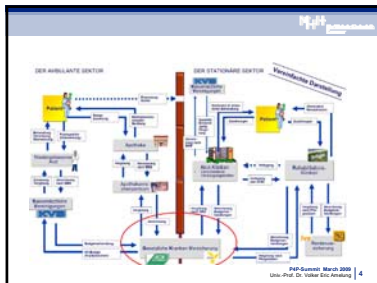
Germany

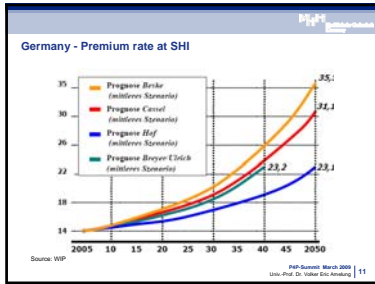
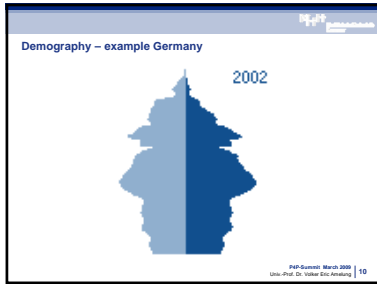
Main principles of German health care system

- Universal coverage
- Wide-range benefit package
- Free access and consumers choice
- Pluralism and competition
- Power sharing between government and self-administration
- Balance between solidarity and self-responsibility
- Decentralization



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Germany – Elements of the health reform

4 in 1: Four reforms rolled into one

- The 2007 health reform comprises reforms in four major fields:
 - the introduction of universal health insurance coverage
 - the improvement of medical care
 - the modernisation of the statutory and private health insurance funds
 - the reform of the financing base: the health fund

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Germany – Improvement of medical care

4 in 1: Four reforms rolled into one

- **Cost-benefit analysis of medicines**
 - Not all that is expensive is also good. Therefore, medicines will be subjected to an independent assessment of both benefit and price.
- **Second opinion**
 - Certain novel drugs are not only highly expensive, but often also high in risks. Before they are prescribed, therefore, a second medical opinion must be obtained
- **More competition thanks to rebate contracts**
 - Health insurance funds need not pay any price for medicines. They can negotiate rebates with the manufacturers on behalf of their members

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Germany – Modernisation of the statutory and private funds

4 in 1: Four reforms rolled into one

- **Greater competition – greater freedom of choice for the insured**
 - Whether statutory or private health insurance – both systems will have to face up to a markedly stiffer competition in the future
 - They will have to be more responsive to the wishes of their members than they have been so far. This means for the insured: greater freedom of choice and a better decision-making basis
 - through more individual tariffs in the statutory health insurance (tariff choice)
 - through less bureaucracy and strong insurance funds
 - through a new tariff system in the private health insurance system (basic tariff)
 - through the portability of old-age reserves

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Germany – Modernisation of the statutory and private funds

4 in 1: Four reforms rolled into one

- **Bespoke services – two examples of the new tariffs**
 - **Primary doctor tariff** – Insured persons who see their family doctor first will have their co-payments reduced or a bonus paid out
 - **Deductibles tariff** – Insured persons who pay part of their medical bills themselves will get a bonus from their health insurance fund
- Ask your fund! And do some comparison-shopping! You decide!

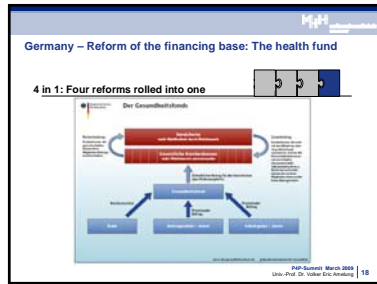
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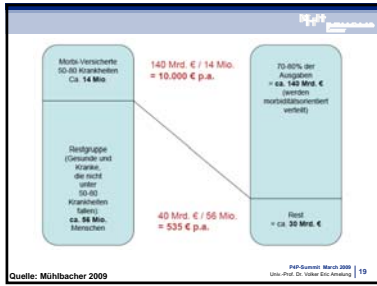
Germany – Reform of the financing base: The health fund

4 in 1: Four reforms rolled into one

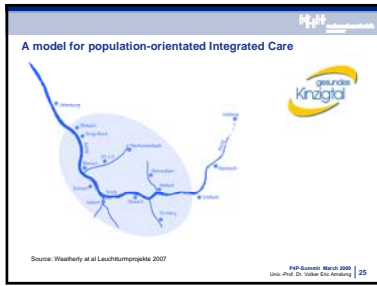
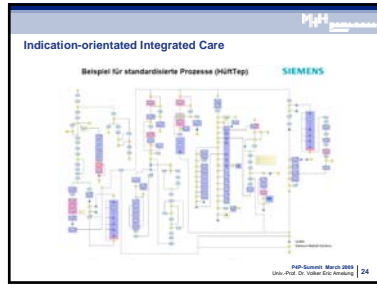
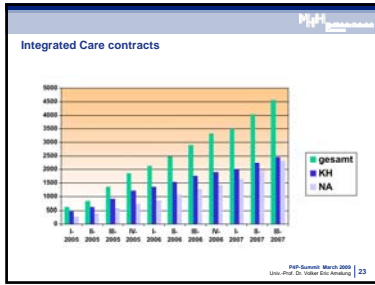
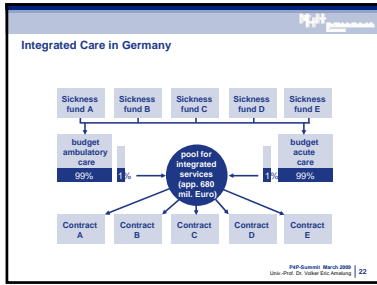
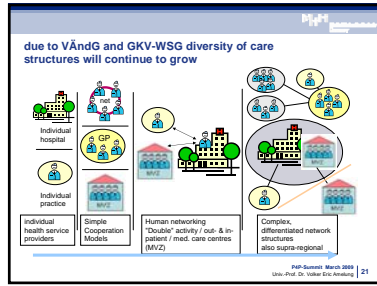
- **In support of clear and comprehensible financing**
 - With the health fund the financing of statutory health insurance funds is rearranged in an equitable manner. Consequently more clarity is established for contributors about where their money goes to
 - The health fund will start in January 2009

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Frames: The management company (MMG)

- **Founding 21.09.2005**
- **Company's shares:**
 - 33% **Optimedis AG:** Counseling background, specialized in Integrated Care-development
 - 66% **Medizinisches Qualitätsnetz Kinzigtal (MQNK):** Network with 34 doctors, that is approx. 50% of office-based practitioners in the region

Quelle: Weathery et al Leuchtturmpunkte 2007

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Frames

- **Contracting parties**
 - AOK (20.11.2005) and LKK Baden-Wuerttemberg (01.10.2006)
- **Population and budget**
 - 32000 AOK and LKK-insured in the ZIP code area (appr. 50% of insured)
 - benefit spending appr. € 50 million p.a., Virtual budget of MMG
- **Contract Scope**
 - total outpatient and inpatient care, all indications except dentistry
 - Contract duration until 2014

Source: Weathery et al Leuchtturmpunkte 2007

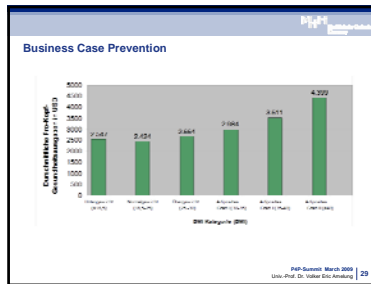
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Contract concept: additional benefits for Registered

- Check-up examination
- concerted target agreements, treatment plan
- Case conferences
- Screening and prevention programs
- Participation in the pilot project for ePA
- Short-term appointments, special consultation hours
- Telephonic support in office
- Tele Monitoring Program (heart diseases)

Source: Weathery et al Leuchtturmprojekte 2007

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Care Concept: Success Factors

- Active involvement of patients in the treatment regime (customer satisfaction, compliance), the most important!
- Case management and care- resp. contract-planning using "predictive modeling" on the basis of routine data (Prediction of high-cost cases) Also: Outcomes analysis, planning guidelines
- ePA-pilot project with software that communicates with the programs of all providers without any problems
- Duration of 8 years allows sustained, medium- to long-term health investments resp. health prevention measures

Source: Weathery et al Leuchtturmprojekte 2007

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Von der Verteilungsideologie zur Versorgungsideologie

Der „Bierdeckel“

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Thank you very much for your attention!

Please do not hesitate to contact me in case you have further questions.

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