Explain how the German healthcare system works:

- **12.5 Billion Euros per year**
- Residential care: 14 Billion Euros
- Subsidized care: 2 Billion Euros
- Pharmacy: 2 Billion Euros

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**Private Health Insurance**

- **3 Billion Euros per year**
- Visits to Doctors: 3 Billion Euros
- Hospitalization: 1 Billion Euros
- Medical Doctors: 1 Billion Euros

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**Patient**

- 18 Consultations a year
- 3,000 consultations per year
- 20 hours in hospital
- 28 days away from home
Business model

- Hospital
- Operating costs
- Insurance
- Patient
- Federal State
- Invest. cost

<table>
<thead>
<tr>
<th>Year</th>
<th>GDP</th>
<th>Associated wage costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>1950</td>
<td>~10%</td>
<td>4%</td>
</tr>
<tr>
<td>1970</td>
<td>~10%</td>
<td>82%</td>
</tr>
<tr>
<td>1990</td>
<td>~10%</td>
<td>12%</td>
</tr>
<tr>
<td>2000</td>
<td>~70%</td>
<td>14%</td>
</tr>
<tr>
<td>2018</td>
<td>~10%</td>
<td>15.8%</td>
</tr>
<tr>
<td>2050</td>
<td></td>
<td>40%</td>
</tr>
</tbody>
</table>

Healthcare costs

- Local authority
  - Tax
  - Loan
  - GP
- Employer
  - Salary
  - Hospitalisation
- Owner
  - Profit
  - Return
- Bank
  - Interest
- Suppliers (Pharm, Medec, Service)
  - Sale

Insurance

Patient
Budget Negotiation Hospital

LBR x CMI x Number of Cases = Budget

2918 k-3683 k
Uni 1.7
Private 1.4
Non Profit 1.3
Public 1.0

Ø 4,960 € p.Pat
Budget Negotiation Residential Care Home

Nursing level
1 125 €
2 720 €
3 1,262 €
4 1,745 €
5 2,008 €

↑
Fix medical care

Own contribution
1 655 €
2 Boden: 887 €
3 Brandes: 590 €
4 Hambürg: 677 €
5 Thürauf: 286 €

↑
Negotiated individually with insurance

Accumulation
17 €
15 €
17 + 15 = 32 × 30 = 974 € p.m.

Retirement pension
1 1,013 €
2 720 €

↑
Negotiated individually with Social Welfare

Total own contribution 655 + 974 = 1,629 € p.m.

↑
Negotiated individually with Social Welfare

↑
GAP 616 € p.m.

↑
GAP 867 € p.m.
Decision Making Unit (Chapter 1)

<table>
<thead>
<tr>
<th>Prescriber/User</th>
<th>Initiator</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buyer</td>
<td>Decide</td>
</tr>
</tbody>
</table>

Residential Care Home

1) Profile of Residents
2) Operating Costs "Own contribution"