Focus on quality

Ideas for the further development of hospital financing in Germany

We want all patients in Germany to have the best possible access to medical progress. Quality has to be the decisive criterion.

A healthcare system that provides access to medical innovations for all while remaining affordable for society as a whole is an integral part of social cohesion.

Framework conditions:

Our healthcare system faces major challenges – fundamental reforms in the coming years are inevitable

In the field of tension between medical progress, demographic development, and digital transformation, it is important to ensure high-quality care in the long term.

A healthcare system that provides access to medical innovations for all while remaining affordable for society as a whole is an integral part of social cohesion.

A central component is sustainable hospital care in Germany. The current system of hospital financing must be adapted to the growing demands. The list of identified problems is long. And the list of proposed solutions is even longer.

The readjustment and further development of hospital financing must be a key health policy priority for the new federal government

The structure of the health care system shows itself to be crisis-proof in the Corona pandemic in Germany compared to other highly developed countries. While in many other countries the health systems were hopelessly overloaded, Germany was able to provide e.g., intensive care beds in sufficient capacity.

The country's hospitals reacted quickly and flexibly to the corona-related challenges, demonstrating that comprehensive changes can be implemented at short notice if the situation requires it. However, care management during the pandemic also revealed a need for reform.

To provide patients with the best possible medical care, the existing system must be further developed, and new approaches introduced, as all experts agree. The reorganization of hospital financing was already agreed in the coalition agreement for this legislative period but had to be postponed due to the challenges of the pandemic.

The readjustment of hospital financing must therefore be a priority task in the area of health policy of a new federal government from the end of 2021, regardless of the political makeup.

The GKV estimators forecast a significant financing gap for 2022 - Hospital financing is affected mediately

Experts largely agree on the need for reform. A key issue here will be to reduce the immense investment backlog in hospitals. The main problem is insufficient investment by the federal states. If the federal government helps out here, it cannot do so without extending its right of co-determination, e.g., by setting more general conditions for hospital planning.

All political parties agree that structural reform is also unavoidable. Greater specialization of the hospital landscape makes sense not only from an economic perspective, but also in terms of quality of care for patients. At the same time, medical care in rural areas must not only be secured, but also improved. Telemedicine applications and digital infrastructures are central to this.

All of this occurs at a time when cost pressures on our healthcare system are rising sharply.

As a result of the pandemic, public budgets are empty and calls for savings are growing louder. But savings should be generated by increasing the economic efficiency of the health care system and not just by cutting costs. A central lever for this lies in a consistent further development of the current system of case-based flat rates.

The DRG system in its present form does not adequately meet the current challenges of care management

The share of hospital revenues generated by DRGs is now up to 90%, far higher than in other countries with similar systems. The originally well-intentioned political aim of making the system fairer through DRGs has unfortunately led to significant over-complexity and inflexibility. In contrast, regional and care-specific differences are insufficiently reflected.

The negative consequences of cost-cutting as a top priority are increasingly noticeable for patients. Often it is no longer the doctor but the management who has the last word in the selection of, for example, the medical devices used. The consequence is a „revolving door effect“ on the one hand and a creeping devaluation of the innovation aspect on the other.

Even if new products are better (in terms of patient well-being), they are often not used for cost reasons, but cheap and unfortunately often poor alternatives are resorted to. This trend can be counteracted by greater use of health services research data and quality indicators.

Cardiovascular diseases are the number 1 cause of death in Germany

Despite the huge successes of cardiac medicine in recent decades, which led to a significant reduction in mortality and morbidity, cardiovascular diseases remain – even ahead of cancer – the number one cause of death in Germany.

Regardless of its achievements, cardiology in Germany is struggling with growing financial problems. Compared to other therapeutic areas, cardiac medicine has the fastest innovation cycles, but the existing reimbursement system leads to a situation in which less and less is paid for the same services, regardless of medical progress. The direct medical and indirect economic cost-benefit effects are above average in cardiology. The current financing structure cannot guarantee adequate reimbursement.

Another obstacle to cardiology care in Germany is the high hurdles for the market launch of innovative products. The high regulatory requirements of the BfArM lead to a decreasing number of clinical trials in Germany.

Research funding in the cardiovascular field must reflect the medical importance of the indication field. There is currently an imbalance here, for example in comparison to oncological diseases.

Common objective

We want the best possible access to medical progress for all patients in Germany. Everywhere, for everyone and at any time!

In the field of clinical research and licensing, Germany is losing ground in international comparison.

The overriding goal is therefore to design hospital financing in a way that is needs-oriented, sustainable and avoids mismanagement. Various reform proposals have been and are still undergoing discussion: The aim of the White Paper is to present ideas for the further development of the existing financing structure.

In particular, the issue of quality should be addressed in the further development of the current DRG system. One example of this is medical innovation in the cardiovascular field (e.g., through minimally invasive procedures).

Focus on the quality of medical care for the benefit of patients and establish it as a central guideline for reforms!

So far, there are still too few incentives to improve the quality of medical technology treatments. The inclusion of quality criteria in remuneration is only slowly being implemented. In particular, the measurement and objectification of „quality of outcome“ is an unsolved problem so far.

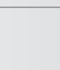
Consequence: The current DRG system does not reward quality properly. The level of reimbursement is decoupled from the actual medical intervention.

Follow-up costs due to complications have not yet been taken into account. Improving the quality of treatment for patients must be the first priority in the further development of medical care and thus also its financing. This is particularly true for hospital financing.

Recommendations for action

For sustainable hospital care and adequate financing of medical innovations:

1. *Establish quality of results as an important indicator in remuneration* *(p. 10)*
2. *Improve framework conditions for care and clinical research as a basis for quality* *(p. 10)*
3. *Focus on the benefits rather than the costs of investments and therapies by using economic rather than business indicators* *(p. 11)*
4. *Improve patient access to innovations* *(p. 12)*
5. *Making market access for innovative therapies more attractive* *(p. 12)*
6. *Promote prevention instead of intervention* *(p. 13)*



1 | Recommendation for action:

Establish quality of results as an important indicator in remuneration

To achieve this, new and better quality criteria must be integrated into the remuneration of medical care without increasing bureaucratic hurdles for hospitals and physicians. The availability of evidence in the form of patient data is the key to achieving this.

MEASURES:

- » A uniform definition of quality through the creation of meaningful quality indicators must also be established in inpatient care.
- » In Germany, there are mainly data on mortality and morbidity. What is needed, however, is the consistent use of care data that go beyond the actual medical interventions.
- » Quality must be viewed holistically. For this purpose, a nationwide evaluation of medical interventions should be implemented in Germany.
- » The quality of interventions must be evaluated across the entire treatment pathway and across sectors. The use of electronic patient records is a central component. So is the quality of data generated at the hospital level.
- » This requires improving the availability and comparability of registry data and thus making it easier to use for quality measurement.
- » Collected data must be made transparently accessible and networked so that they can be evaluated promptly and comprehensively. Close cooperation between the industry, insurers, and quality assurance institutions such as the IQTIG is a prerequisite for this.
- » Possible approach: bonuses for rapid discharge, for better quality and for fewer – subsequently necessary – follow-up treatments.

2 | Recommendation for action:

Improve framework conditions for care and clinical research as a basis for quality

Both clinical and health services research must be strengthened to improve scientific evidence. Generated results should be used as a basis for economic and medical cost-benefit analysis

MEASURES:

- » Implementation of a three-tier model:
  - › Promote model projects, for example with health insurers,
  - › Investigate the opportunities and economic viability of telemedicine and digital applications such as screenings in concrete projects and thus
  - › Gradually enable comprehensive research through the use of register data

3 | Recommendation for action:

Focus on the benefits rather than the costs of investments and therapies by using economic rather than business indicators

The remuneration of medical interventions and products must be based on economic rather than business indicators. Currently, the focus is on the initial costs of treatment; follow-up costs are not considered.

By developing and implementing new approaches to evaluate the benefits of health investments, the social and economic benefits of this investments will be more strongly emphasized.

MEASURES:

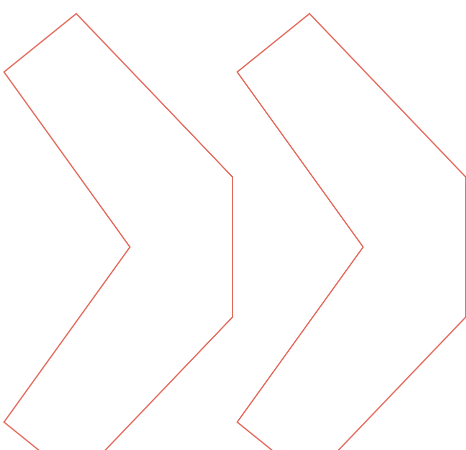
» Stronger focus on opportunities instead of costs of investments by looking at long-term savings potentials of monetary and non-monetary resources and technologies using the example of digitalization and artificial intelligence.

» Integrate indirect and induced effects beyond pure medical care into the evaluation of new investments.

» Implementation of pilots to clarify the question: How can we invest cleverly and smartly in our health system (hospitals and innovations)?

» Inclusion of not only the one-time cost of treatment but also resulting future costs in the decision between therapy options:

1. Medium- and long-term follow-up treatments (time),
2. cross-sectoral medical care along the entire care pathway (hospital + general practitioners) and
3. indirect costs in the hospital (e.g. length of stay)



4 | Recommendation for action:

Improve patient access to innovations

Access to innovations must be accelerated for the benefit of patients and their financing must be ensured. Guiding principle: The best-quality products must become part of standard care as soon as possible. Physicians on site should make evidence-based decisions about what is best for the patient. The focus is on the freedom of the therapy decision; short-term financial aspects are largely decoupled from this:

MEASURES:

» Create rapid access to care data on the benefits of innovations and define suitable hospitals for the initial application of the innovations for this purpose

» Establish collaborations throughout the development and treatment process to generate evidence jointly by industry and hospitals.

» Create framework conditions and incentives for new (digital) technologies in the hardware and software sector, e.g., in the field of artificial intelligence.

» Accelerate the de-bureaucratization of the DRG system to allow more time for patients:

1. Make documentation obligations more flexible and simplify them
2. Lump-sum payment of the costs of provision for small hospitals for demand-oriented services, maximum care providers analogously
3. Promotion of the individuality of hospitals through nationwide differentiation according to care levels.

5 | Recommendation for action:

Making market access for innovative therapies more attractive

Medical technology innovations need to be integrated more quickly and easily into healthcare in Germany. The current BfArM approval process is clearly too slow and is increasingly becoming a competitive disadvantage for Germany as a location for innovation.

MEASURES:

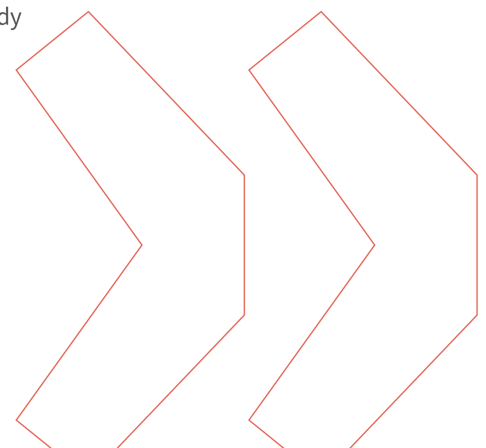
» Establishment of a ‚fast track‘ approval for innovations that involve a significant medical innovation and have the potential to improve medical care in the long term (disruptive innovations).

» Implementation of NUB funding intra-year to, among other things, increase the attractiveness of conducting clinical trials in Germany

» For approvals according to §137h „Evaluation of new examination and treatment methods with medical devices of high-risk class“, the introduction of a quality monitoring registers by professional societies is necessary.

» Regular remuneration for step-by-step innovations, e.g., in the form of an innovation subsidy

» Free choice of therapy and implants for doctors.



6 | Recommendation for action:

Promote prevention instead of intervention

In addition to improving medical intervention and therapy, it is important to improve prevention and early detection in order to minimize patients‘ risks of disease and keep the burden as low as possible.

MEASURES:

» Implement proactive and broad screening in at-risk groups through the use of digital technologies.

» Early use of minimally invasive interventions to prevent chronic diseases.

Process White Paper

From the discussion to the White Paper - discussing central issues of hospital care with different stakeholder groups and jointly developing solution approaches

Within the framework of three digital discussion rounds, central issues of hospital care were discussed with different stakeholder groups. Cardiovascular care was included as a cross-cutting topic and specific aspects were introduced in the discussion rounds:

» The **first discussion round** addressed the need for reform in hospital finance from the perspective of medical practice and health economic theory.

» In the **second discussion round**, the possible financing perspective „quality“ was discussed in order to create a supplementary calculation basis for hospital financing.

» The **third discussion round** deals with the results of the first two rounds. Concrete proposals for the integration of quality standards in hospital financing, taking into account innovative medical technology, will be discussed with politicians.

The readjustment and further
development of hospital financing
will be a key health policy task for
the next federal government

Many thanks for the impulses of our speakers in the three discussion rounds:

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Surgeon and former Director of Clinical Research & Academic Teaching of the Vivantes Network

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Publisher of the White Paper:
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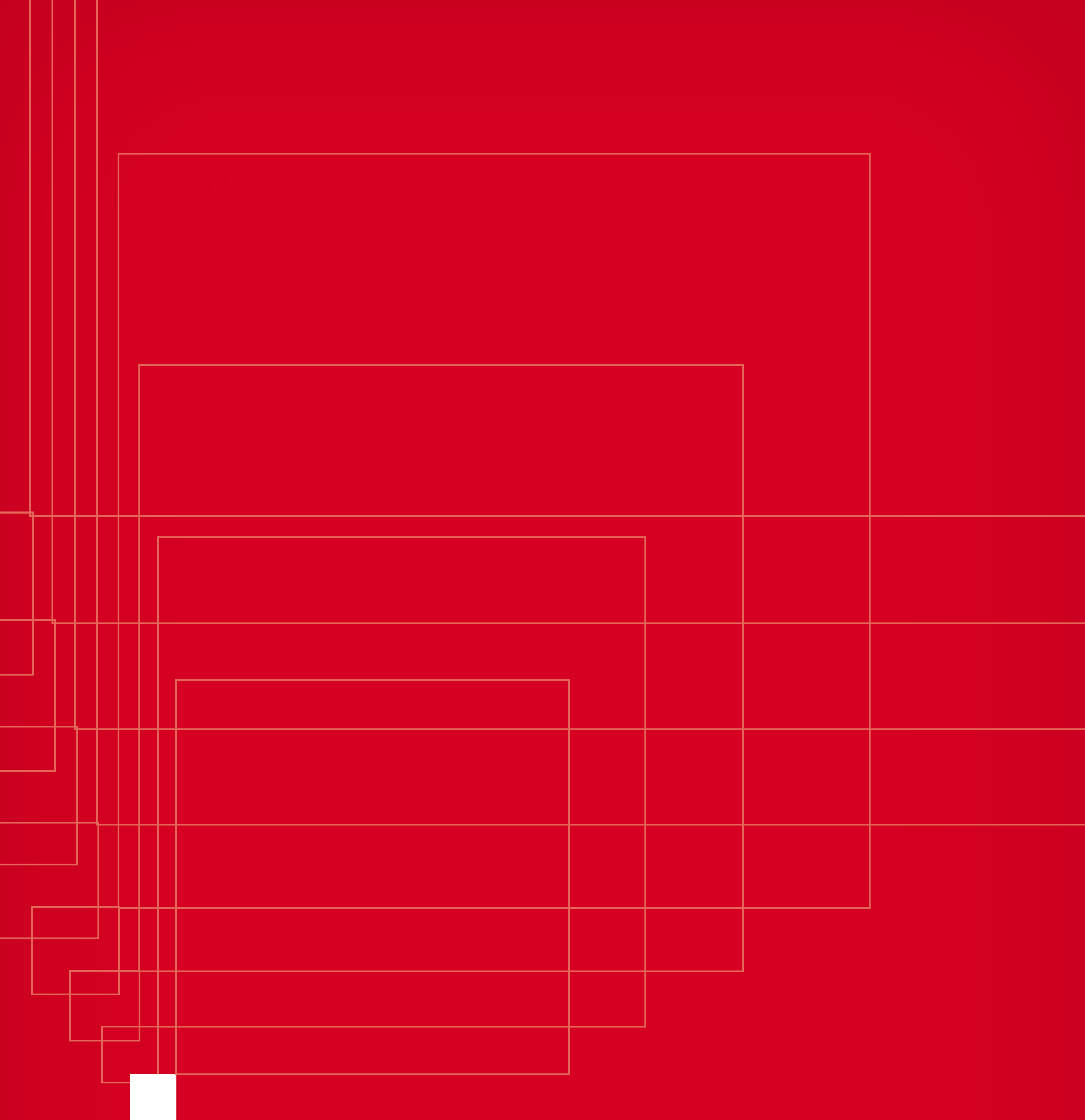
Editorial deadline:
September 2021



The editorial preparation and design of the White Paper was supported by Edwards Lifesciences Germany GmbH.