

EXECUTIVE SUMMARY

Health Care Systems: Towards and Agenda for Policy Learning Between Britain and Germany

by Reinhard Busse

*Professor for Health Care Management, Berlin, University of Technology
Associate Research Director, European Observatory on Health Care Systems*

The report published in June 2002 provides on the one hand a brief insight into and a summary of the most important characteristics of the health care systems in the UK and Germany, with the focus on the differences between the two systems. At the same time, it identifies topics which, if addressed jointly as research projects, can contribute to mutual learning about each country's health care system. Chapter 1 sets out how health care systems can be analysed based on the present research situation, especially when the aim is not merely to describe a system but to improve a nation's health. Chapters 2 to 7 deal with the various components of such a model, and the statements chosen here are simply selected as examples. Chapter 8 makes a brief outline of the current discussion on health care reform taking place in both countries, while chapter 9 provides the fundamental principles for a research programme, based on the resulting unanswered questions, to provide a comparison of the UK with the German health care system.

- **Health of the population** (chapter 2): Life expectancy in Germany rose appreciably faster in the 1990s than in the UK; in particular, life expectancy of older women in the UK is stagnating. When it comes to infant mortality, the state of the nation's health in the UK is significantly below that of Germany: deaths of newborn babies are twice the number of those in Germany.

- **Financial resources** (chapter 3): Germany spends considerably more on health care than the UK - in absolute values per head about 66% more, and even when compared with GDP, still about 60% more. Most of the money spent on health care in the UK is sourced through taxes (74%), while in Germany it is the statutory health insurance which provides more than half the money (56%). Private out-of-pocket expenditure accounts in both countries for about 11%. In Germany, where about 9% of the population relies on private insurance for health care, the costs of such care is about 8% of overall expenditure, while in the UK the expenditure share of complementary private health insurance is 3,5%.

- **Population coverage / Catalogue of services / Access to health care and waiting lists** (chapter 4): While in the UK all legal residents have the right to state-funded health care, the German system of statutory health insurance covers only 74% of the population; while a further 14% are voluntary members of the statutory system (and about 9% are exclusively private patients). In contrast to the UK, the services provided by the German statutory health care system are clearly defined, stipulated either directly by law or else negotiated by associations of health insurers and service providers. This means that there are legal entitlements which can be enforced at law.

- **Structure and organization** (chapter 5): While the health care system in the UK is in a state of restructuring in which the function of the "purchaser" of health care services is being transferred from health authorities to "primary care trusts", that is to teams of GPs, this function has been the domain of the health insurance funds (of which there are 400 in total, belonging to seven associations) in Germany since 1883. Since 1996 it has been possible for nearly everyone insured to choose freely which health insurance fund they want to belong to. Since income and state of health (and therefore their need for health care services) differ between different people insured, there is a so-called "risk structure compensation" between the insurance funds. Both countries could benefit from a comparison of the different mechanisms of resource allocation (based on individual data in Germany and population-based data in the UK). This also applies to a comparison of the British PCTs with the German physicians' associations, with which they have much in common, although there are also differences. There is also a need for research in the hospital sector e.g. between the German "Chefarzt" and the British Consultant models.

- **Processes** (chapter 6): Germans have more doctor-patient contacts and spend longer in hospital than the British. Nevertheless, the costs of a single day in hospital in the UK are in fact about 10% higher than in Germany. The proportion of beds occupied is about the same in both countries, at around 81-82%, i.e. this means that the waiting lists in the British system do not result from a lack of beds.

- **Results** (chapter 7): "Results" of health care need to be differentiated into two categories; care-based and health-based. The former includes the number of patients who are unhappy with their treatment in hospital - the UK comes off badly compared with Germany here; there are significant differences with regard to the respect paid to patient preferences. Conversely, care staff in the UK value the quality of their own work higher than those in Germany; nevertheless, 28% of English and 22% of Scottish nurses and carers (compared with 17% in Germany), feel that the quality of care has declined. Health-based results on the other hand are more difficult to assess, since it is often difficult to directly link the effectiveness of a health care system with a decrease in mortality - or higher quality of life. In the UK for example, deaths to breast cancer declined rapidly after the introduction of screening in the 1990s, but the death-rate per woman with breast cancer (case mortality rate) is still above that in Germany, which does not have such a programme.

- **The current health reform discussions** (chapter 8): Here too there are enormous differences. In Germany, the rapidly increasing contributions to health insurance are seen as a problem and measures are being taken to reduce costs (while at the same time seeking to improve the care of the chronically ill), while in the UK it is the declared aim of the government to increase expenditure on health care.

- **The need for research in the future** (chapter 9): There is a need for research from the point of view both of the systems and of the patients. The former requires input-related questions about the distribution of financial resources, the definition of the service catalogue and the care entitlement which results from them or the development and planning of human resources in the health system, process-related topics like regulation and administration of hospitals, development and application of clinical guidelines or the discontinuity of care between the out-patient and in-patient sectors plus outcome-related research, i.e. how health systems can influence mortality and life expectancy. The patient perspective research ought to focus comparatively on the overall spectrum of the health care system - from the service catalogue to case mortality rate - for specific sectors of the population such as cancer patients or illegal immigrants.

Contact:

Annette Birkholz, Anglo-German Foundation/Deutsch-Britische Stiftung,
34 Belgrave Square, London W1X 8DZ

Tel: +44 (0)20 7823 1123 Fax: +44 (0)20 7823 2324 E-mail: ab@agf.org.uk Website: www.agf.org.uk

Reinhard Busse, Professor Dr. med. MPH, Lehrstuhl Management im Gesundheitswesen,
Technische Universität Berlin, EB2, Strasse des 17. Juni 145, 10623 Berlin

Tel: +49 (0)30 314-28419/20 Fax: +49 (0)30 314-28433 E-mail: rbusse@berlin-tu.de Website: <http://mig.tu-berlin.de>

Notes to the editor:

Anglo-German Foundation: For thirty years the Foundation has contributed to policy-making in Britain and Germany by funding bilateral research and discussion of economic and social issues which challenge both countries, and by making the results of this work available to decision-makers, practitioners and their advisers.

Review and reference copies of the report are available from the Anglo-German Foundation.

You may also download the report free of charge from the Foundation's website at www.agf.org.uk, hardcopies (ISBN 1-900834-30-8) can be ordered from bookshops or from the Foundation's distributor, YPS, tel: +44 (0)1904 431 213, fax: +44 (0)1904 430 868, price: £15.00

The author of the report is Reinhard Busse, Professor Dr. med. MPH, Dpt. Health Care Management, Technische Universität Berlin and Associate Research Director with the European Observatory on Health Care Systems