

An Anglo-German Foundation Report

The International Market for Medical Services: The UK–Germany Experience

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Executive Summary

The rationale for undertaking this project was to investigate the opportunities for ‘gains from trade’ in the treatment of medical patients outside their own country, and specifically for the treatment of UK patients in Germany. This arose, firstly, from the authors’ perception that there ought to be great potential for such gains given the current situation in the respective countries’ health sectors – a well publicised shortage of capacity in the UK and a degree of over-capacity in Germany; and secondly, that for some reason(s) such a market was not developing to any great degree. We were keen to bring a specifically economic rather than a medical approach to the issues and it is hoped that readers from a medical background will appreciate the validity of doing this.

The aims of the project were as follows:

- To review recent experience of contracts between UK health service providers and German clinics and hospitals and to assess the potential for a market for German hospital services to develop in the UK;
- To identify barriers to the development of a competitive UK market for German hospital services in the UK. These fall into the following three categories:
 - Technical
 - Administrative/legal
 - Attitudinal

Our research involved a combination of reviewing existing studies, interviewing a number of health care professionals in Germany and conducting a survey of UK patients who have been treated in Germany. We also attempted to conduct a survey of UK general practitioners, but we experienced difficulty in achieving a significant response from our sample.

The main conclusions of the project were as follows:

- patients' attitudes amongst those UK patients already treated in Germany is overwhelmingly positive;
- while there is a shortage of capacity in the UK and some spare capacity in Germany and other countries, it would seem to make sense to allow UK patients to travel;
- there are some legal and bureaucratic issues to resolve before a market can develop;
- the key area to work on is health professionals' attitudes;
- if personal communication and trust could be built up between UK and overseas practitioners, many of the current barriers would be easier to resolve;
- German health care professionals involved in the NHS pilot project had a perception that political considerations seemed to receive a high priority on the UK side of the project, sometimes at the expense of patients;
- In order to achieve the necessary widespread consensus about the usefulness of overseas facilities as an extra NHS resource the following would be required:
 - UK doctors would need more information in order to refer patients to German hospitals with confidence. This might include information about ease of travel, English speaking capabilities and accommodation as well as clinical quality assurances;
 - procedures for agreeing prices and making payments have to be agreed;
 - adequate legal protection for patients.

If these issues can be resolved, there is likely to be the potential for a large, diverse market in medical services between the UK and Germany and other countries. If a European healthcare market develops, there may be further opportunities in the longer term and a new, mutually beneficial form of international 'trade' may be created.

We estimate that at least 15,000 orthopaedic operations could be carried out for the NHS in Germany under current supply and demand conditions. This is based on discussions with German health care professionals together with some rudimentary assumptions about likely demand and acceptance in the UK. There is also likely to be potential for the development of international trade and cooperation in other specialisms such as eye surgery, abdominal surgery and general surgery.

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Notes to the editor:

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