
Is German Hospital Reform Still Open to Change? Hope for the Federal Council



47th German Hospital Day Discusses the Future of Hospitals

When have hospitals ever faced such times of uncertainty and severe economic challenges? Amid national political upheaval following the coalition government's collapse, the 47th German Hospital Day began yesterday in Düsseldorf. How will the current political climate affect hospitals? While the overarching theme of the congress is "Finding Direction in Revolution," the immediate goal is to provide guidance for hospitals amidst the turbulence. "For this reason, the critique of the hospital reform passed by coalition representatives and the subsequent demands from hospitals are highly relevant," stressed Dirk Köcher, President of the Association of German Hospital Directors (VKD), in both the press briefing and the opening of the four-day event.

"We are dealing with an unprecedented situation. Even financial support from municipalities and local authorities bypasses the current system. Few organisations will be able to address the increasingly severe financial strain on hospitals in the short or medium term. Around 80% of hospitals are operating at a loss. This can no longer be explained by management errors alone," he emphasised.

Congress President Dr. Sabine Berninger, Chairwoman of the German Professional Association for Nursing (Southeast) and Deputy Chair of the Bavarian Nursing Council, has already expressed significant dissatisfaction with the hospital reform. The reform was intended to set a clear path for improvement. Yet, from the perspectives of hospitals and regional governments, substantial changes are still needed. For instance, the proposed standby financing model is expected to place increased pressure on medical and nursing staff.

"We need stability and predictability. Both have been denied to us by policymakers for several years, to the detriment of sustainable and widespread hospital care," explained Dirk Köcher. He also noted that the Federal Government had played a role in this situation in 2022 by removing the regulation to increase the state-based funding rate as service demand decreases. This decision, he argued, deliberately denied state-level negotiators a tool that could have somewhat alleviated the situation.

The VKD President emphasised that stability begins with compensating for the funding deficits caused by inflation in 2022 and 2023. "As representatives of the hospital management professionals in Germany, we are deeply concerned about this trend," he said, highlighting the impact on rural healthcare, which faces the greatest threat from unplanned closures.

Both in the press conference of the German Hospital Day and in the opening session and subsequent discussions, there was a clear hope that the Federal Council would refer the flawed reform to the mediation committee. Dr. Gerald Gaß, Chair of the German Hospital Association, described the current political situation as "high noon" and questioned whether this might be an opportunity for hospitals to press for amendments to the reform. The aim, he emphasised, is not to block the law, but to encourage constructive dialogue through the mediation committee to allow crucial changes, including more flexibility for individual states. As it stands, the reform passed by the Bundestag will not prevent insolvencies nor end market-based closures. Without changes, it may be preferable to proceed with incremental improvements rather than face ongoing uncertainties that will require frequent adjustments during implementation – a concern the VKD has repeatedly highlighted.

Dr. Sabine Berninger pointed out that this issue concerns not only hospitals but the entire healthcare continuum, from pre- to post-hospital care. Dr. Michael Weber, President of the Association of Senior Hospital Physicians, noted that while the structural requirements in the legislation are crucial for quality, they are not a guarantee of it. The immense pressure on hospitals must be alleviated.

to be referred to the mediation committee. His goal is not to let the reform fail; there are positive elements within it. However, it must align with reality rather than follow a national template, which makes the reform unworkable in many respects. He dismissed the fear that mediation might prevent the law from passing, asserting that any contentious issues could be resolved quickly. The time until the parliamentary dissolution would be sufficient.

Bremen Health Senator Claudia Bernhard (Die Linke), however, disagreed in the discussion. She expressed scepticism about the mediation process and preferred to see the reform implemented as it stands.

Federal Health Minister Karl Lauterbach, who joined the discussion remotely, indicated that he saw no room for mediation on this issue, stressing that his primary focus was on improving quality. He warned that without reform, hospitals with high-quality services would be at the most risk. The current funding model is, in his view, appropriate, as it rewards quality. Hospitals able to navigate the transformation will find it sustainable. If quality standards are diluted in the mediation committee, “we will not proceed with the reform,” he stated.

The session yesterday afternoon included a discussion on “Hospital Financing.”

Today’s second day of the conference is themed “People Make Medicine” and includes topics such as a physician staffing assessment system, as well as artificial intelligence and digitalisation as solutions to staffing challenges.

VKD President Dirk Köcher will address the question of what stabilisation measures are needed to support hospitals, asking if federal policies are contributing to the “de-economisation” of healthcare.

Wolfgang Mueller, First Vice-President of the Association of German Hospital Directors (VKD), will examine whether the implementation of hospital planning in North Rhine-Westphalia can serve as a model for the entire country.

The session will be moderated by Andreas Tyzak, VKD Press Officer.

The 47th German Hospital Day takes place from 11 to 14 November, traditionally held as part of the world’s largest hospital trade fair, Medica.

****Photo**:** Opening discussion panel. From left to right, VKD President Dirk Köcher, VLK President Dr. Michael Weber, German Hospital Association Chair Dr. Gerald Gaß, and Congress President Dr. Sabine Berninger. Federal Health Minister Karl Lauterbach joined via video link.

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