

# German government approves unpopular health reform

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Germany's embattled government signed off on an unpopular reform of the creaking healthcare system Wednesday that will increase the financial burden on patients.

With the system under major strain due to a greying population and the rising cost of treatment, Chancellor Angela Merkel's centre-right cabinet approved a draft law aimed at plugging deep deficits.

"We have the best healthcare system in the world but we are getting older and older," Health Minister Philipp Roesler told public television.

"Someone has got to pay for that," he said, calling the reform plans "tough but necessary".

Germany's healthcare system is praised for its quality but it is also one of the most expensive in the world.

Roesler said that if he had not taken action, the system's deficit would have hit 11 billion euros (15 billion dollars) in 2011.

After months of internal squabbling, the government settled on a scheme that would see total premiums rise to 15.5 percent of employees' gross pay from 14.9 percent currently, beginning January 1.

This contribution pools health-insurance payments from employers and staff. Previous reforms in 2006 and 2008 also resulted in higher contributions.

In addition, patients will have to make payments at the doctor's office that will be set by health insurers, meaning that future cost hikes will have to be covered by the employee alone.

The plans also include modest spending cuts for doctors, clinics, medication and administration, but stop short of the sweeping overhaul promised

during the general election campaign one year ago.

Roesler has come under fire for sparing privately insured patients, who are wealthier on average than those under the state insurance scheme and make up about 10 percent of the population.

A recent poll indicated that more than half of Germans oppose the new measures, which still require parliamentary approval.

"The health reform has become a political disaster (for the government) because they spent 10 months squabbling before reaching these meagre decisions," the daily Sueddeutsche Zeitung said.

The measures come amid more bad news for Merkel in the polls.

A survey by the independent Forsa institute released Wednesday saw her conservative Christian Democrats losing one point to 29 percent with the opposition Social Democrats and the resurgent Greens now tied at 24 percent.

The pro-business Free Democrats, Roesler's party and junior partners in the government, were stuck at five percent, a fraction of the nearly 15 percent they drew at the general election last September.

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