verein
demokratischer
ärzt*innen

Hospital Financing in Germany. G-DRG and its Consequences for Patients and Healthcare Workers

Thessaloniki 27th May 2025

Dr. Nadja Rakowitz / Dr. Peter Hoffmann

Association of Democratic Doctors Germany

verein demokratischer ärzt*innen

Hospitals before the implementation of the DRG System

KRANKENHAUS STATT FABRIK bedarfsgerecht · gemeinwohlorientiert

The German Health System is one of the most expensive ones of the world: 12% of GDP translate into 500 Billion € annual expenses (population total: about 80 Million)

- until the late 80ies it was by law forbidden for hospitals to make profits
- The financial basis of the health insurance system declined, so insurance rates increased
- since half of these are paid for by the employers, this was seen as a problem by neoliberal politics
- Neoliberal politics promised to the people to save costs and increase efficiency and modernize the system…

verein demokratischer ärzt*innen

The Hidden Agenda

KRANKENHAUS STATT FABRIK bedarfsgerecht · gemeinwohlorientiert

- until the early 90ies more than 50% of the expenses were spent to buy and pay medical care, not to make profits
- neoliberal politics wanted to change this and open the health market for capital
- and they wanted to close hospitals an centralize them
- In the 90ies the states (Bundesländer) began to cut investive financing
- hospital financing changed completely with the implement-tation of DRG (Diagnosis Related Groups) as a pricing system in 2004
- since then a large number of hospitals was privatised

verein demokratischer ärzt*innen

DRG: Basics and explanations

KRANKENHAUS STATT FABRIK bedarfsgerecht · gemeinwohlorientiert

- DRG = Diagnosis related group = group of diagnosis with homogenous costs of treatment
- Every DRG all over the country has a **relative weight** (RW) in relation to the average cost case (= DRG 1,000)
  - For example C17Z ·intervention at the lacrymal gland and lacrimal drainage system: RW = 0.541
  - For example A01A: liver transplantation with artificial respiration > 179 hours: RW = 32,718

➢ **Relative weight is linked with the costs not with medical severity!**

- **Case-Mix** = total of all relative weights of all DRGs produced in a specific time
- **Case-Mix-Index (CMI)** = Case-Mix / number of cases

verein demokratischer ärzt*innen

KRANKENHAUS STATT FABRIK bedarfsgerecht · gemeinwohlorientiert

DRG: Basics and explanations

- Baserate = price for average cost case = DRG 1,000
- Level of baserate 2025: ca. 4.400-4.500 € (differs in the Bundesländer)
  - ➢ The continuous rising of these base rates is politically regulated (not linked to the **real** expenditures of the hospitals!!)
- Revenue per case = relative weight x Baserate
- Hospital Budget = Case-Mix x Baserate

verein
demokratischer
ärzt*innen

G-DRG-System: How does a hospital operate economically successful?

Revenue

number of cases
x relative weight
x standardized base rate

– expenditures = profit

or

loss

increase of cases ⇧

operations ⇧

medical procedures ⇧

costs 🡻

verein demokratischer ärzt*innen

Whether private or public / non profit – hospitals are ruled by market & competition

KRANKEN HAUS STATT FABRIK bedarfsgerecht · gemeinwohlorientiert

With the implementation of the G-DRG system 2004 we have more cost transparency and a reduction of average length of stay – **but**

- any laws, which were regulating the number of staff needed for a certain number of patients, were abolished
- competition of costs and „customers“ (= patients) is implemented

verein
demokratischer
ärzt*innen

Hospitals and Firebrigades

KRANKEN HAUS STATT FABRIK
bedarfsgerecht · gemeinwohlorientiert

Only inpatient and partly in-patient treatment are being paid – no money for contingency costs. Imagine what would happen if the fire brigade was only paid when there was a fire.

This is exactly the logic of financing hospitals through DRGs when they are used as a pricing system.

verein
demokratischer
ärzt*innen

KRANKEN HAUS STATT FABRIK
bedarfsgerecht · gemeinwohlorientiert

When market rules in hospitals…

When a hospital is guided by financial rules like in the G-DRG system it is acting economically rational when it

1. *reduces costs per case to get maximum profit (*by reduction of staff and wages – except doctors)
2. *treats many – and every year more – patients/cases with high profits*
3. *avoids cases with supposable losses (which means for example undersupply for multi morbid patients, closing of Paediatric departments and obstetrics wards…)*

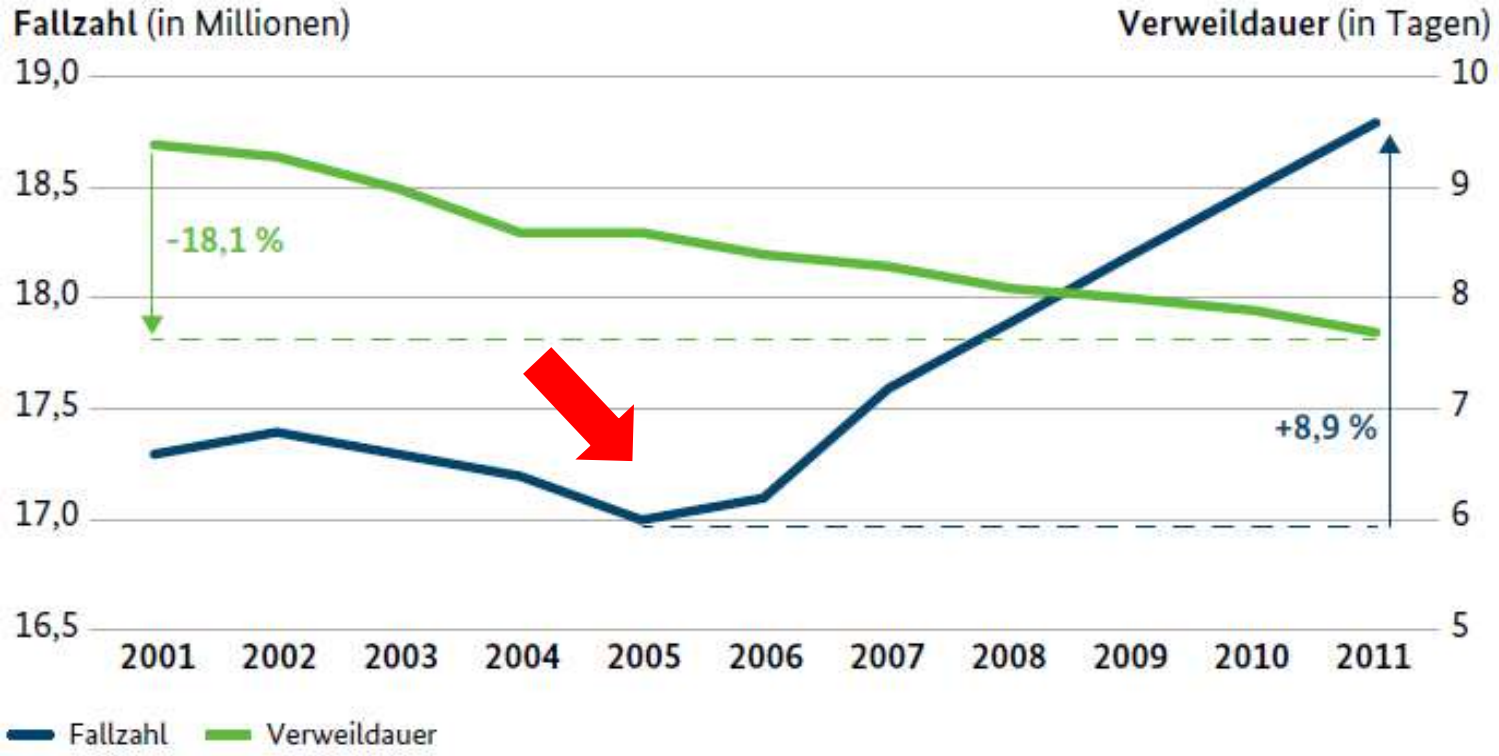
verein demokratischer ärzt*innen

Higher case load – shorter average time that patients stay in hospital

KRANKENHAUS STATT FABRIK bedarfsgerecht · gemeinwohlorientiert

average stay
case load

Behandlungsfälle in Kliniken nehmen zu
Entwicklung der Fallzahlen und durchschnittlichen Verweildauer in Krankenhäusern



Betrachtungszeitraum: 2001 – 2011.

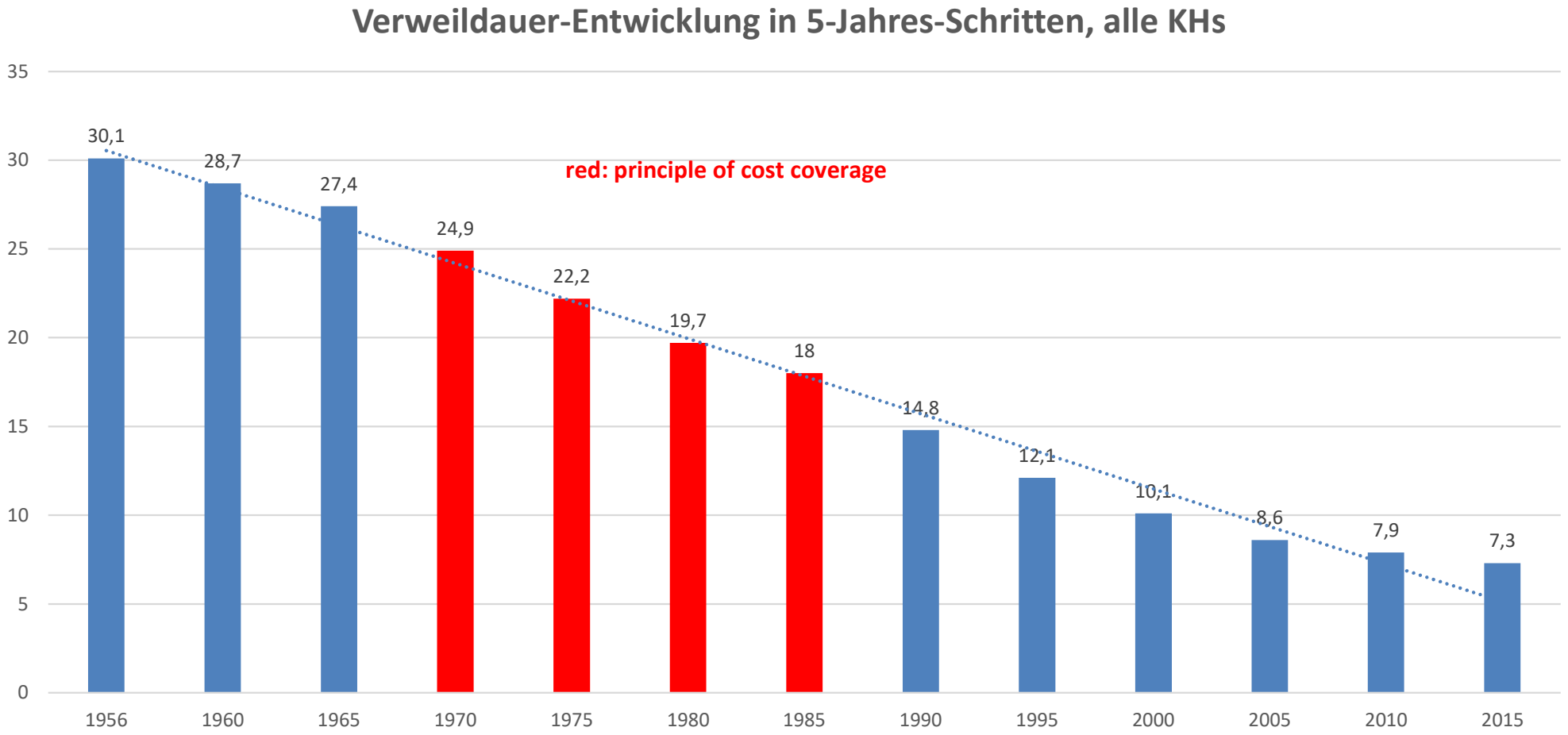
Lesehilfe: Im Jahr 2011 wurden in deutschen Krankenhäusern ca. 19 Mio. Fälle behandelt. Die durchschnittliche Verweildauer im Krankenhaus betrug dabei ca. 7,7 Tage pro Fall.

Quelle: Statistisches Bundesamt, Krankenhausstatistik; Berechnung und Darstellung: BMWi/WifOR, 2013.

verein demokratischer ärzt*innen

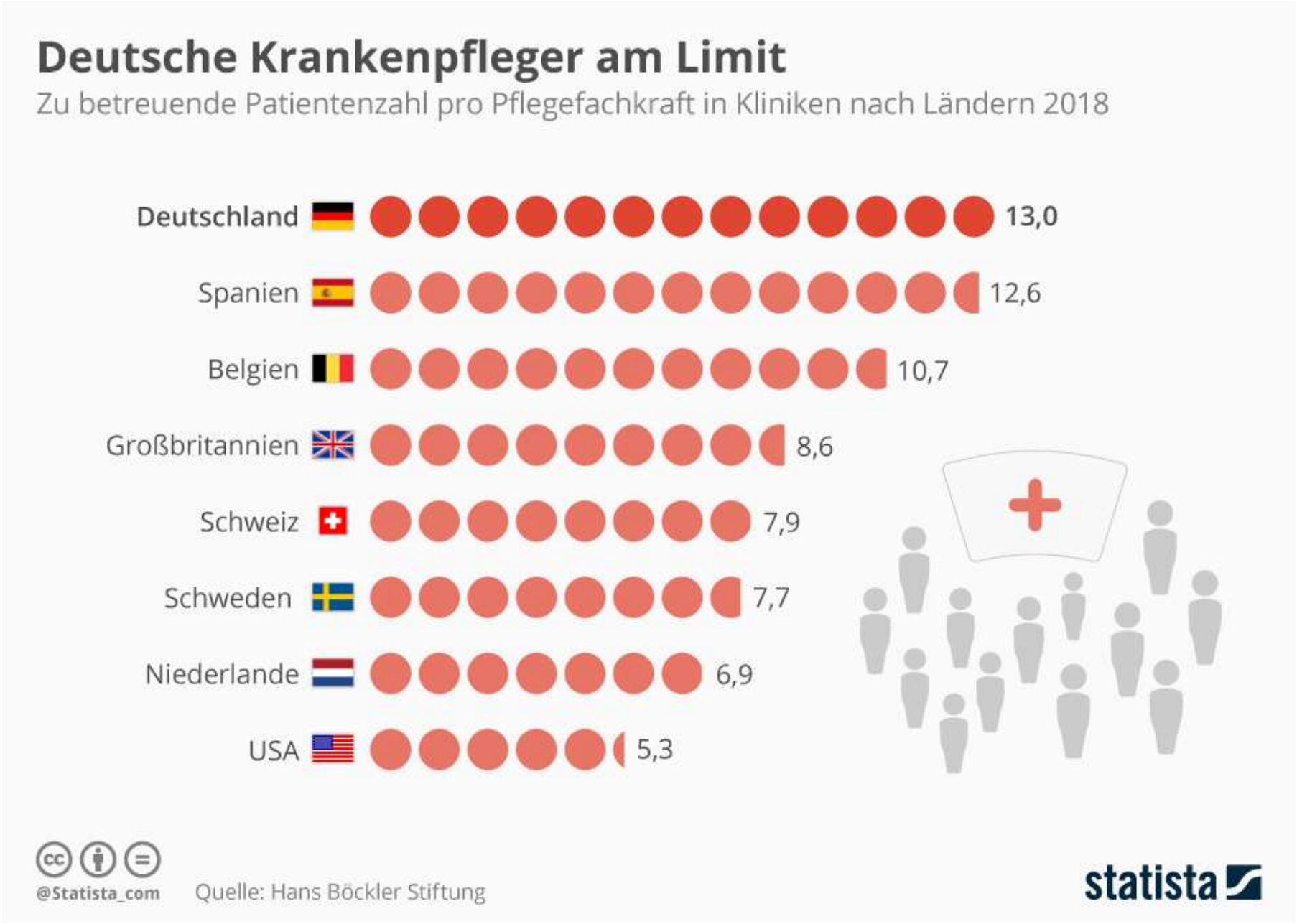
Avarage length of stay 1956-2025

KRANKENHAUS STATT FABRIK bedarfsgerecht · gemeinwohlorientiert



verein
demokratischer
ärzt*innen

Patients / Nurse Ratio in Germany compared with other countries



verein demokratischer ärzt*innen

Influence of the Economisation on procedures - examples

KRANKENHAUS STATT FABRIK bedarfsgerecht · gemeinwohlorientiert

DRG W01B (Polytrauma):

- mechanical ventilation hours less than 264 h. Relative weight: **7,107 = 32.000 €**
- mechanical ventilation hours more 263h. Relative weight: **14,288 = 64.300 €**

➢ **Difference in revenue for the hospital: 32.000 €!!**

DRGs A01A-C (liver transplantation):

- mech. vent. h. less than 59 h. without complications Relative weight: **11,155 = 50.200 €**
- mech. vent. h. less than 180 h. or with complications Relative weight: **16,070 = 72.300 €**
- mechanical ventilation hours more than 179 h. Relative weight: **29,202 = 131.400 €**

➢ **Dramatic increase of mechanical ventilation hours since 2004!**

(Baserate 2025: 4.500 €)

verein demokratischer ärzt*innen

Influence of the Economisation on procedures - examples

Peripheral arterial occlusive disease (with ulcer)

- conservative treatment:
  - RW 0,988 **ca. 4.450 €**
- surgical treatment (amputation)
  - RW 3,017 **ca. 13.580 €**

(Baserate 2025: 4.500 €)

verein demokratischer ärzt*innen

Hospital treatment in Germany compared to international standards

KRANKENHAUS STATT FABRIK bedarfsgerecht · gemeinwohlorientiert

Table 1: Snapshot of key hospital services in Germany compared with other OECD countries

	Germany	Rank compared with OECD countries	OECD average
Hospital discharges for major diseases			
Diseases of the circulatory system, per 1 000 population	35.7	1	19.6
Cancer, per 1 000 population	24.5	2	13.5
Procedures carried out as inpatient cases (involving an overnight stay in hospital)			
Cataract surgery per 100 000 population	178	7	118
Tonsillectomy per 100 000 population	157	3	80
Percutaneous coronary interventions (PTCA) per 100 000 population	624	1	177
Coronary bypass per 100 000 population	116	2	47
Appendectomy per 100 000 population	151	7	126
Cholecystectomy per 100 000 population	236	2	154
Inguinal and femoral hernia per 100 000 population	223	1	110
Prostatectomy (transurethral) per 100 000 males	197	4	117
Prostatectomy (excluding transurethral) per 100 000 males	85	5	54
Hysterectomy (vaginal only) per 100 000 females	178	6	113
Caesarean section per 1000 live births	314	9	261
Hip replacement per 100 000 population	295	1	154
Knee replacement per 100 000 population	213	2	122
Breast-conserving surgery per 100 000 females	232	1	108
Mastectomy per 100 000 females	69	8	56

Source: OECD Health Data 2012

verein demokratischer ärzt*innen

Consequences: Privatization of hospitals

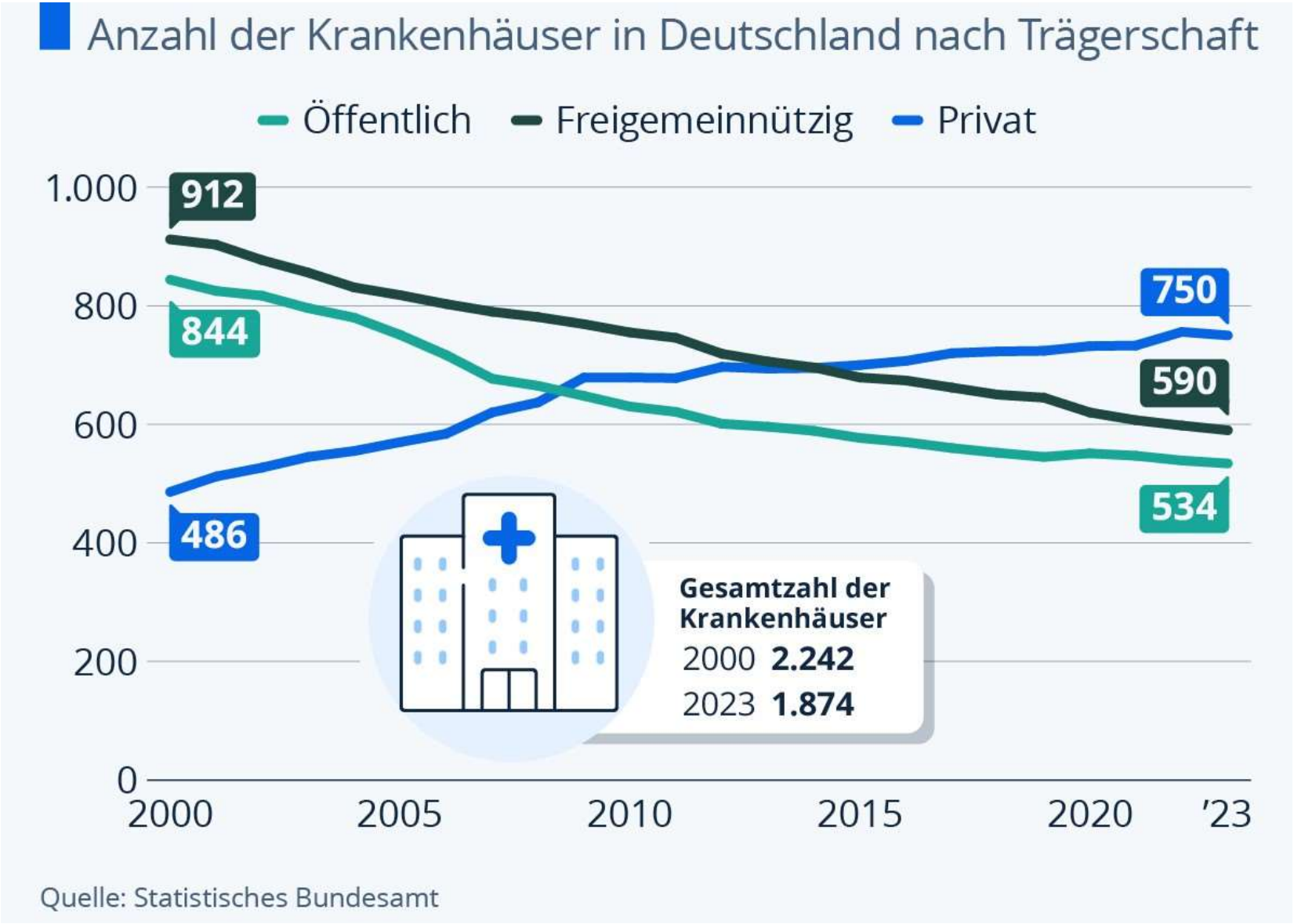
KRANKEN HAUS STATT FABRIK bedarfsgerecht · gemeinwohlorientiert

non profit hospitals (charitable)

Public hospitals

Private hospitals

Nearly 40% of hospitals are privately operated for example by **Fresenius Helios**, one of the 30 top companies on the German stockmarket.



verein demokratischer ärzt*innen

KRANKENHAUS STATT FABRIK bedarfsgerecht · gemeinwohlorientiert

Consequences for the patients

- Loss of importance of rules, standards and regulations
- Patients become a means to an end
- Commercialization structures all sub-processes in the hospital
- high nursing/therapeutic care requirements are hardly reflected in DRGs
- Misuse (medically unnecessary invasiveness, medically unjustified increases in case numbers for operations and invasive procedures)
- Overuse (medically unjustified indications)

verein demokratischer ärzt*innen

KRANKENHAUS STATT FABRIK bedarfsgerecht · gemeinwohlorientiert

Effects on working conditions

- Work intensification: more patients, shorter length of stay, fewer staff, more bureaucracy
- Hospital becomes a factory: ‘assembly line work’, fragmentation of the work process
- Division of the workforce: outsourcing, temporary labour, loss-making and lucrative departments...
- Pressure due to the threat of privatisation: collective wage agreements and wage levels significantly lower, even fewer staff, large wards, etc.

Problems, everyday experience – and resistance

- competition of hospitals, even competition in the hospitals: departments with well payed procedures are increasing (Cardiology) and others are decraesing step by step (Pediatrics)
- „Case-Management“ is looking for the maximum profit, not (always) for the maximum patient‘s health
- Increase in budget deficits, particularly for small rural primary care hospitals
- Since 2015 (nursing) staff is on strike for more staff - not for higher wages (f.e. 11 weeks strike at 6 university hospitals in in North Rhine-Westphalia in 2022)
- This is not only a trade unions fight but it is a fight against neoliberal order in the health systems

verein demokratischer ärzt*innen

Some impressions of the strike activities – the fight against economisation has begun…

KRANKENHAUS STATT FABRIK
bedarfsgerecht · gemeinwohlorientiert

verein
demokratischer
ärzt*innen

Health policy responses

Karl Lauterbach, the last social democratic health minister, took up the wording of the critical movement and spoke of "dramatic de-economisation", of replacement of the DRGs - and even of a "revolution".

But his reform will leave the DRGs in place and will result in the centralization and closure of hundreds of hospitals. The private corporations and privatization will not be touched by this reform.

Our problem: The trade union ver.di did and does not fight against a socialdemocrat minister‘s reform

verein
demokratischer
ärzt*innen

The trade union youth of Bavaria produced T-Shirts, posters and stickers saying:

Nurses of all wards, unite!

We, the Democratic Doctors, join them.

Thank you for your attention

verein
demokratischer
ärzt*innen

Another Thread: Militarization of the healthcare system

MEDICAL TRIBUNE

www.medical-tribune.de

Von Ärzten für Ärzte

NEU! Nur 99 € inkl. Versand
Die praktische Kombi für alle Fälle:
Jetzt bestellen!
Diese Kombination kostet jetzt nur 99 €

58. Jahrgang · Nr. 8 · 2832 · 21. April 2023

TOP-THEMEN

Hobbytaucher gut beraten
Das sollten Sie mit Patienten vor deren nächstem Tauchurlaub besprechen. 2

Von der Vaskulitis verwundet
Hinter hartnäckigen Beinulzera können entzündete Gefäßwände stecken. 10

Mehr Bakterien braucht der Darm
Pro- und Präbiotikapräparate gibt es viele. Was sich für welche Patienten eignet: 22

Putzmunter bei der Dentalhygiene
Bürstenköpfe, Borstenhärte und Putztechnik: Wie gut

Foto: kremldepall – stock.adobe.com

Nach der Bombe Triage per App

Auf die Nuklearkatastrophe vorbereitet sein

Tote, Verstümmelte und Verbrannte in Massen, dazwischen versuchen Ärzte, Sanitäter und Soldaten Herr über das Chaos zu werden: Ein Nuklearschlag gehört zu den schrecklichsten Katastrophen, die man sich überhaupt vorstellen kann. Die Angst davor wächst in Europa. Bundeswehrexperten bereiten sich in Zusammenarbeit mit WHO und NATO schon lange auf ein solches Szenario vor. Dazu gehört neben der Beschaffung relevanter Medikamente auch die Entwicklung spezieller Triage-Apps fürs Handy. Nach dem Eintippen der Blutbilddaten lässt sich schnell die Prognose über die Strahlenschäden erstellen – und entsprechend triagieren. 17

15 Euro fürs Impfen

Schwindler

49-Euro-Ticket ist für 34 Euro zu haben

Advertising for a doctor‘s app for triage after the detonation of a nuclear bomb

Hessisches Ärzteblatt

Online unter: www.laekh.de | 11 | 2024
Mitteilungen für Ärztinnen und Ärzte der Landesärztekammer Hessen | 85. Jahrgang

Zivil-Militärische Zusammenarbeit
Symposium Oranienstein 2.0

Leberschädigungen
Fortbildungsartikel zu Leberschädigungen durch Arzneimittel, pflanzliche Heil- und Nahrungsergänzungsmittel

Bedeutende Chirurgin
Erinnerungen zum 130. Geburtstag der Chirurgin Charlotte Mahler (1894–1973) aus Frankfurt

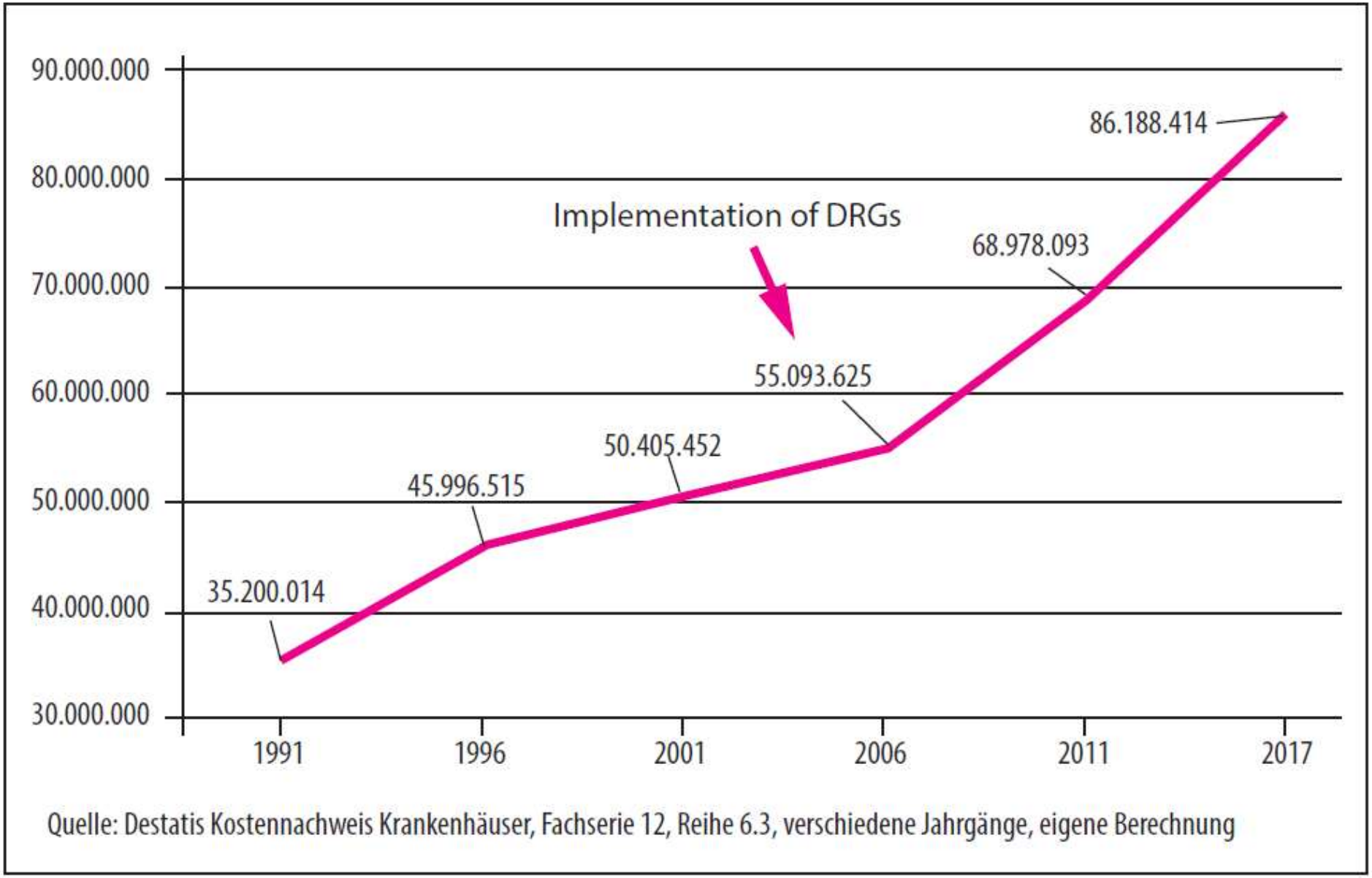
Inkretin-Mimetika
Übersichtsartikel zu den neuen Trendmedikamenten zur Behandlung von Adipositas

Journal of the Medical Chamber in Hessen promoting civil-military cooperation

verein demokratischer ärzt*innen

Hospital Expenditure in 1.000 €

KRANKENHAUS STATT FABRIK bedarfsgerecht · gemeinwohlorientiert



Quelle: Destatis Kostennachweis Krankenhäuser, Fachserie 12, Reihe 6.3, verschiedene Jahrgänge, eigene Berechnung