

# German Healthcare Market

Changes, Risk and Opportunities



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# Overview of Current Changes in the German Healthcare Market



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Table 1.2. Dashboard on health status, 2023 (unless indicated)

	Life expectancy <sup>1</sup>		Avoidable mortality <sup>2</sup>		Chronic disease morbidity (2022)	
	Years of life at birth		Deaths per 100 000 population (age-standardised)		Diabetes prevalence (% adults, age-standardised)	
OECD	81.1	+	222	+	8.6	-
Germany	81.1	+	195	+	6.6	+
Norway	83.1	+	N/A	N/A	5.6	-

Table 1.6. Dashboard on health system capacity and resources, 2023 (unless indicated)

	Health spending (2024)				Doctors <sup>1</sup>		Nurses <sup>2</sup>		Hospital beds <sup>3</sup>	
	Per capita (USD based on purchasing power parities)		% GDP		Practising physicians (per 1 000 population)		Practising nurses (per 1 000 population)		Per 1 000 population	
OECD	5 967	+	9.3	+	3.9	+	9.2	+	4.2	-
Australia	7 469	+	10.3	+	4.2	+	13.0	+	3.8	+
Austria	8 401	+	11.8	+	5.5	+	10.6	N/A	6.6	-
Belgium	7 750	+	11.0	+	3.4	+	11.5	+	5.4	N/A
Canada	7 301	+	11.3	+	2.7	+	10.0	+	2.5	-
Chile	3 749	+	10.5	+	3.3	+	4.4	+	1.9	-
Colombia	1 877	+	8.1	+	2.5	+	1.6	+	1.9	+
Costa Rica	1 935	+	6.8	-	N/A	N/A	N/A	N/A	1.1	-
Czechia	5 014	+	8.5	+	4.2	+	9.0	+	6.4	-
Denmark	7 071	+	9.4	-	4.5	+	10.5	+	2.3	-
Estonia	3 768	+	7.8	+	3.5	+	6.6	+	4.1	-
Finland	6 655	+	10.6	+	2.9	+	12.7	+	2.6	-
France	7 367	+	11.5	-	3.9	N/A	8.8	+	5.4	-
Germany	9 365	+	12.3	+	4.7	+	12.2	+	7.7	-
Greece	3 607	+	8.1	+	6.6	+	3.8	+	4.2	-
Hungary	3 303	+	6.5	-	3.6	+	5.5	N/A	6.5	-
Norway	9 393	+	9.7	+	5.0	+	15.6	+	3.3	-

Hospital Reform

Hospital Financing Reform

Shift to Outpatient Care

Digitalisation

Buyer Consolidation

Regulatory & Political Uncertainty

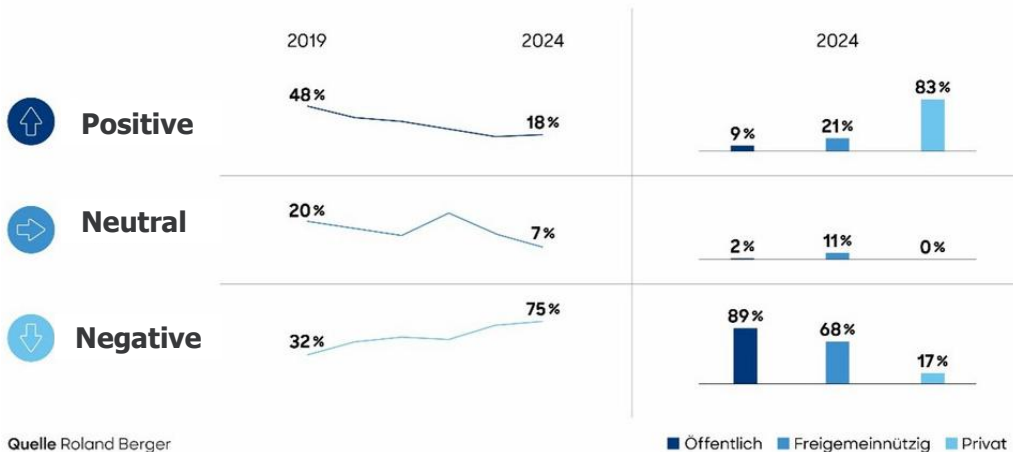
From our hospital lens...

# Financial Situation of Hospitals in Germany



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## 75% of hospitals report an annual deficit

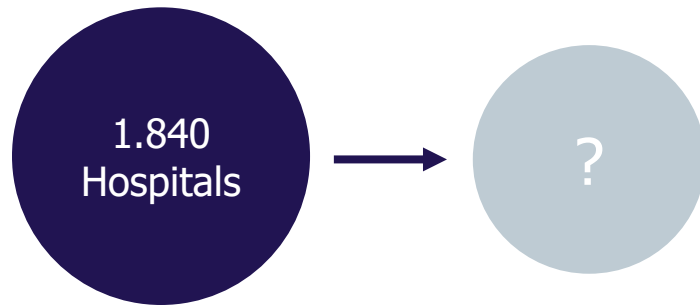


- **Historic Low:** The economic situation is the worst in 20 years.
- **Majority at a Loss:** In 2024, around 75% of hospitals ended the year with a financial deficit.
- **High Insolvency Risk:** Approximately 25% of clinics consider themselves threatened with insolvency in 2025.
- **Structural Underfunding:** The current crisis is attributed to structural issues, insufficient inflation compensation, and chronically low investment subsidies from the federal states.
- **Political Measures:** The Hospital Reform 2025 aims to realign financing, but current short-term cost pressures and a lack of planning certainty for the transition period are major concerns.

# Hospital Reform – Reorganisation & Specialisation



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Hospitals are being classified into service levels with defined quality and structural criteria.

This leads to consolidation: fewer general hospitals, more specialised centres with clearer roles.

## Risks:

- Uncertainty - Already affecting capital investment today
- Loss of accounts/ change of patient flow impacting # of procedures
- Increased requirements (quality, volume, certification) raise market entry barriers.
- Concentrated buying/ decision power needs a strong clinical case

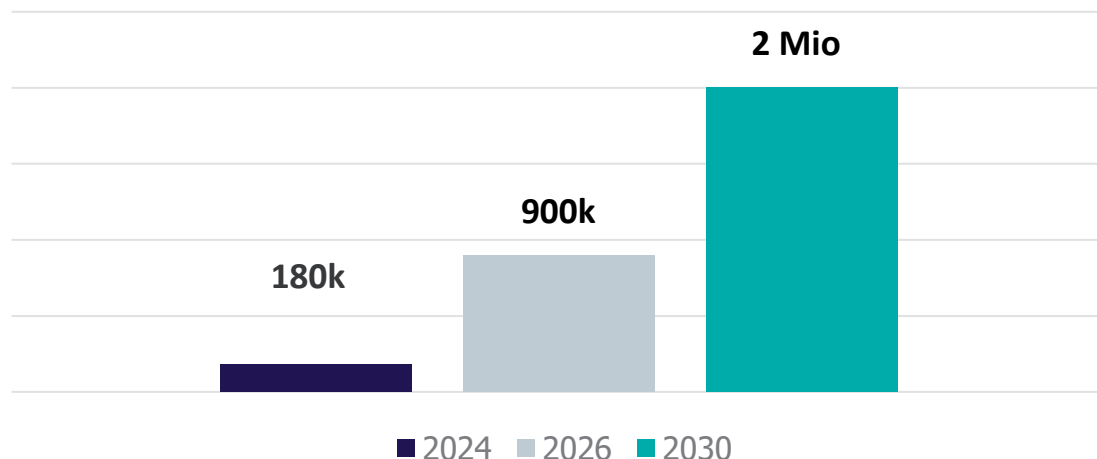
## Opportunities:

- Specialised centres create stable key customers with higher procedural volume.
- Easier targeting due to clearer specialisation profiles.
- Potential for long-term clinical partnerships and reference sites.

# Hybrid-DRG & Accelerated Shift to Outpatient Care



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A growing number of procedures is reimbursed sector-independent (Hybrid-DRGs).

This (in theory) accelerates the move from in-patient to out-patient and short-stay care, reducing costs and increasing efficiency.

## Risks:

- Out-patient sector not ready for this shift, no infrastructure
- Ambulatory providers focus more on efficiency and negotiate harder on price.
- Short procedure times requires different products, workflows with fast-turnover and higher standardization.
- Accelerated shift may have impact on quality of treatment.

## Opportunities:

- Market dynamic increasing with new opportunities.
- Demand increases for cost-efficient, outpatient-ready devices and workflows.
- Hospitals seek solutions that reduce length of stay and throughput time.
- Digital solutions needed to improve connectivity of providers

# Hospital Financing Reform (KHVVG)



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**50 Billion  
Investment  
Fund**

2026 – 2035

Germany is transitioning from purely activity-based aDRG payments to a mixed model with significant capacity funding (“Vorhaltepauschale”).

This aims to stabilise essential hospital services, reduce financial volatility, and steer hospitals toward clearer service profiles.

## Risks:

- Transition period delays all decisions (e.g. investment) as hospitals wait for clarity.
- Higher scrutiny of CAPEX with strict ROI assessment.
- Small vendors may struggle with documentation and reference requirements.

## Opportunities:

- Big pot of money available to be invested.
- More predictable annual budgets increase planning reliability.
- Hospitals gain stability to invest in specialised equipment.
- Vendors with strong clinical evidence and efficiency benefits gain an advantage (connected to reimbursement).

# Digitalisation & Electronic Patient Record (ePA)



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Germany looks for better ways to improve synergies in the in-patient & out-patient sector (Primary Physician System, H-DRG, etc.)

Germany introduces 'EHR for all' (opt-out).

All providers must align equipment, workflows, and documentation with interoperable digital standards. Devices must export structured data (reports, images, metadata).

## Risks:

- Complex situation with high demands on IT infrastructure
- Integration and interoperability demand technical and regulatory compliance.
- Small vendors may face high integration costs with hospital IT systems.
- Cybersecurity and privacy requirements increase workload.

## Opportunities:

- High focus on digitalization in all healthcare areas.
- Customers will prefer future-proof, digitally integrated devices.
- Vendors offering seamless EHR connectivity gain a competitive edge.
- Digital workflows create opportunities for value-added services and data-driven tools.

# Buyer Consolidation & Stronger Procurement Power



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Hospital groups and purchasing organisations consolidate significantly. This will affect the in-patient & out-patient sector.

Fewer but larger buyers dominate tenders and set tighter procurement standards.

## Risks:

- Framework agreements become decisive – difficult for newcomers.
- Large tenders favour suppliers with scale and delivery capacity.
- Price pressure increases as consolidated buyers negotiate aggressively.

## Opportunities:

- Winning a framework contract secures long-term volume and market access.
- Standardised purchasing criteria simplify product positioning.
- Potential for multi-site deployment and harmonised service contracts.



# Regulatory & Political Uncertainty



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Bundesministerium  
für Gesundheit

Continuous adjustments to regulations and reimbursement rules create uncertainty.

Federal and state-level implementation varies, affecting investment timing and regional market dynamics.

Current HC situation demands bold & quick decisions

## Risks:

- Purchases may be delayed until legal frameworks stabilise.
- Regional differences complicate national rollout strategies.
- Higher risk for smaller suppliers investing early without guaranteed uptake.

## Opportunities:

- Funding programmes support innovation, digitalisation, and efficiency tools.
- Early-mover advantage for vendors engaging in pilot projects.
- Opportunities to shape early standards in specialised care settings.

# Photocure in Germany

## Sales Team:

- 8 Key Account Managers in Germany
- 1 Sales Manager DACH

## Market Potential:

- 110.000 procedures each year
- ~ 36.000 procedures done with Blue Light
- Preparing entry in ambulatory market

## Customers:

- Strong relationship with KOLs
- Strong recommendation in Guideline

# Our Experience in the German Market

- **Reimbursement drives success** – focus on both products and procedures
- **Prioritize guideline recommendations**
- **Engage Key Opinion Leaders** and build strong supporter networks
- **Support beyond the product** - Optimize customer workflows
- **Be visible in the field** – presence in surgery rooms matters
- **Support clinicians in reimbursement discussions** with hospital management
- **Maintain a (very) skilled, targeted sales team** for maximum impact
- **Strengthen partnerships** (e.g. equipment suppliers)