

A large, stylized blue graphic on the left side of the slide, resembling a stylized eye or a shield with a circular center and a vertical base.

Overview of the German Healthcare system

Focus: Statutory and Private Health insurance

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Outline

- **German Association of Private Health Insurance (PKV-Verband)**
- European perspective
- German healthcare system: Brief overview / Statutory and Private Health Insurance

The Association of Private Health Insurance ([PKV-Verband](#))



Association headquarters in Cologne

What is our purpose?

- Representing and promoting the interests of the 39 private health insurance (PHI) companies
- Bringing the PHI position to socio-political decisions through expert opinions and participation in hearings
- Finding solutions for the diverse concerns of our member companies (service function)

Who can be a member?

The company must operate in Germany and be licensed by the German [Federal Financial Supervisory Authority](#) or a state regulatory authority.

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European health care systems in comparison*

Main source of basic health care coverage	Organisation	Countries (examples)
Residence-based health coverage (taxes)	Municipal, regional or national level	Denmark, UK, Italy, Norway , Portugal, Sweden, Spain
Contributory health coverage	Single payer	Estonia, Poland, Hungary
	Multiple statutory health insurance funds, with automatic affiliation	Belgium, France, Austria
	Multiple statutory health insurance funds, with choice of insurer	Netherlands, Switzerland, Czech Republic, Slovakia
Dual system of both statutory and private health insurance	Multiple statutory health insurance funds, with choice of insurer, private health insurance	Germany

→ A unique feature in the German health system is the coexistence of SHI and substitutive PHI

* Recommended reading: [European Observatory on Health Systems and Policies](#)

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The German health system: complex, decentralized and with long tradition

Historical background

- 1883 – Introduction of Health insurance in Germany (Chancellor Otto von Bismarck)
- First social health insurance system in the world, covering industrial workers
- This system served as a blueprint for Germany's current health system

Today

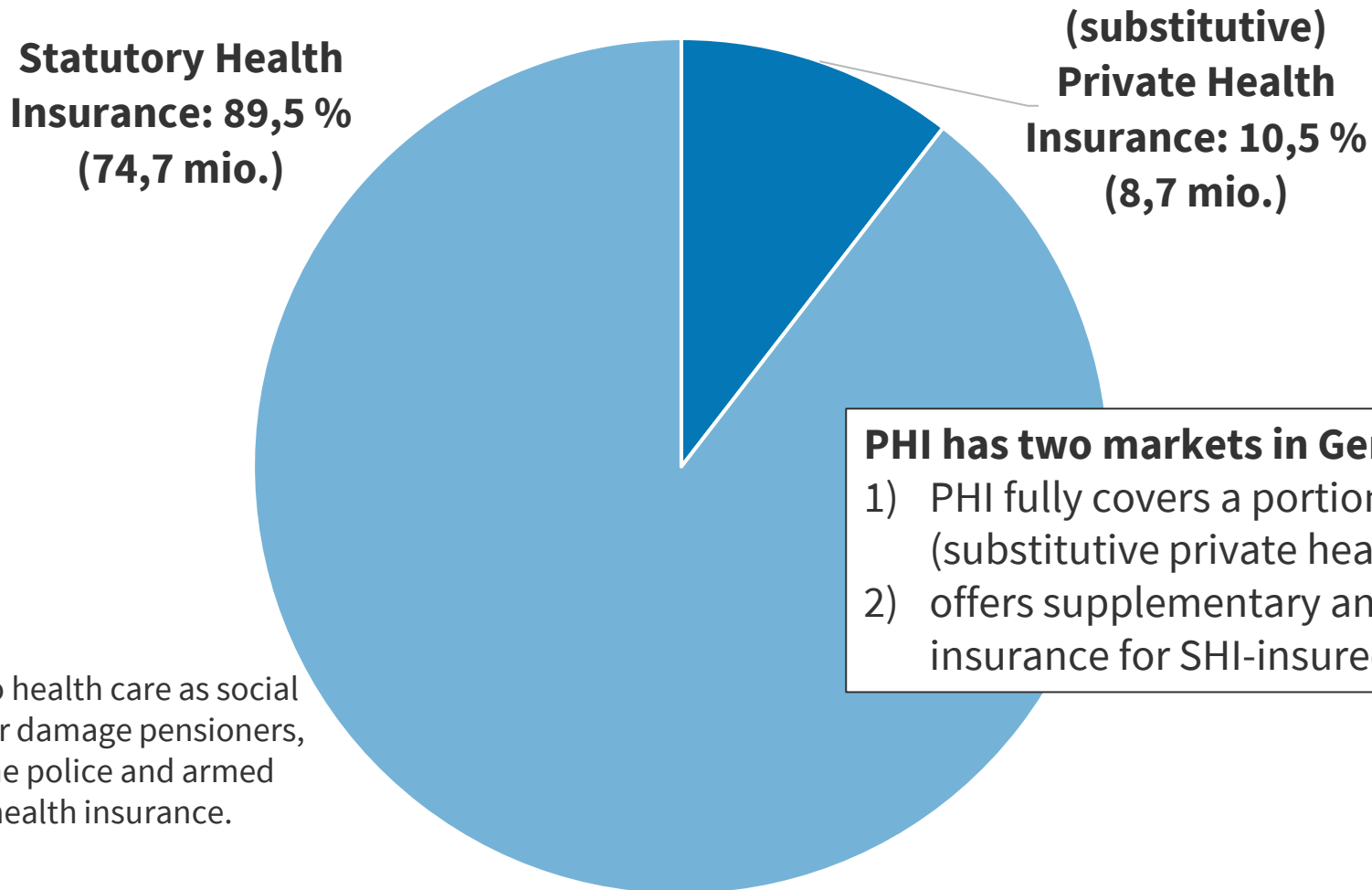
- Health insurance in Germany is mandatory for everyone. Provided either through statutory health insurance (SHI) or substitutive private health insurance (PHI) → “dual system”
- Key feature of the SHI system: delegation of governmental power to corporatist bodies, such as associations of providers and health insurance funds (no centralized state control → principle of self-government).
- Multiple stakeholders! Different laws apply for public health, ambulatory, inpatient and long-term care systems → result: separate organization, financing and reimbursement structures for each sector.

Policy development and implementation (in the SHI system)

- The **Federal Joint Committee (G-BA)** is the highest decision-making body in the German healthcare system. It sets binding rules and guidelines on what medical services are covered by SHI. This includes decisions on:
 - which treatments, drugs, and procedures are reimbursed
 - including new technologies, pharmaceuticals or medical devices in the SHI benefits basket
 - standards for quality and patient safety
 - preventive care and early detection programs
- The G-BA consists of representatives (“plenary Group”) from:
 - Central Federal Association of Health Insurance Funds (payers)
 - National Associations of Statutory Health Insurance Physicians and Dentists (providers)
 - German Hospital Federation (providers)
 - Patients (advisory role: entitled to put topics on the agenda, but not to vote)

Private health insurers (PKV) are not bound by G-BA decisions!

Proportion of the German population with statutory and private health insurance (2024)



Other: e.g. entitlement to health care as social assistance recipients, war damage pensioners, free military welfare of the police and armed forces, persons without health insurance.

PHI has two markets in Germany:

- 1) PHI fully covers a portion of the population (substitutive private health insurance) and
- 2) offers supplementary and complementary insurance for SHI-insured people (> 29 mio.)

Who is eligible for Private Health Insurance?

➔ All persons who are not subject to SHI or are exempt from SHI

- Self-employed persons and freelancers (exceptions may apply to artists, publicists and farmers)
- Civil servants and other persons entitled to free medical care
- Employees with an income above the compulsory insurance threshold (2025: 73,800 Euro/year = 848.000 NOK/year)
- Students (< 30 years) can opt-out of SHI within the first three months of their studies
- Persons without own income or with an income below the marginal earnings threshold (556 Euro/month = 6,389 NOK/month). These are, for example, housewives/husbands or children.

Statutory and Private Health Insurance: Key facts

	Statutory Health Insurance	Private Health Insurance
Legal status	94 public law corporations	39 private companies
Financing	pay-as-you-go	capital cover, i.e., ageing reserves
Contribution assessment	wages and salaries, i.e., based on income *	equivalence principle, i.e., based on age and health conditions
Tax subsidies	14.5 billion Euro/year (167.3 NOK/year)	none
Scope of services	basic cover (legally determined in Social Code Book V)	comprehensive cover (privately agreed in individual contract)
Benefits/Treatment costs	no upfront payment, i.e., benefits in kind	you pay upfront, i.e., cost reimbursement

- SHI contribution rate is a standard 14.6% of gross salary, which is split equally between the employer and employee.
- Additionally, each health insurance fund can charge an supplementary contribution rate, which is 2,9 % in average.

Challenge for the SHI: demographic change

More and more senior citizens have to be financed by those in employment.

The statutory health insurance funds recorded a deficit of 6.23 billion euros (= 74,1 NOK) euros in 2024.

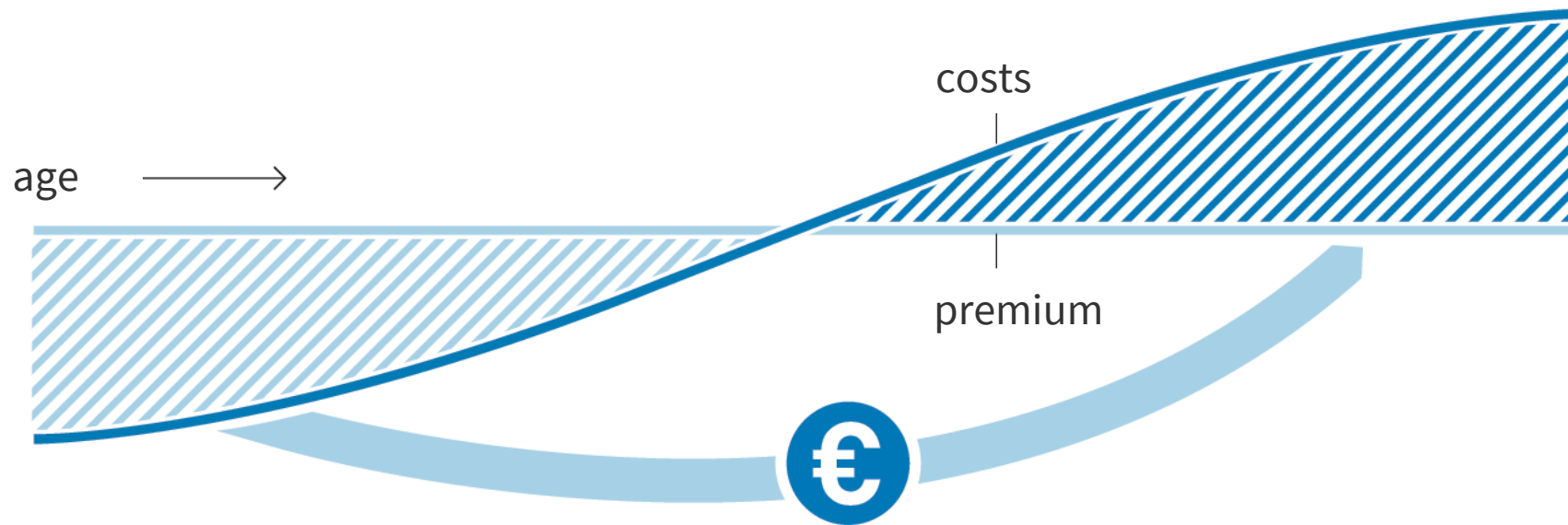


Minister of Health Nina Warken has described the SHI system as an 'emergency patient'.



Financing of PHI: Capital cover*

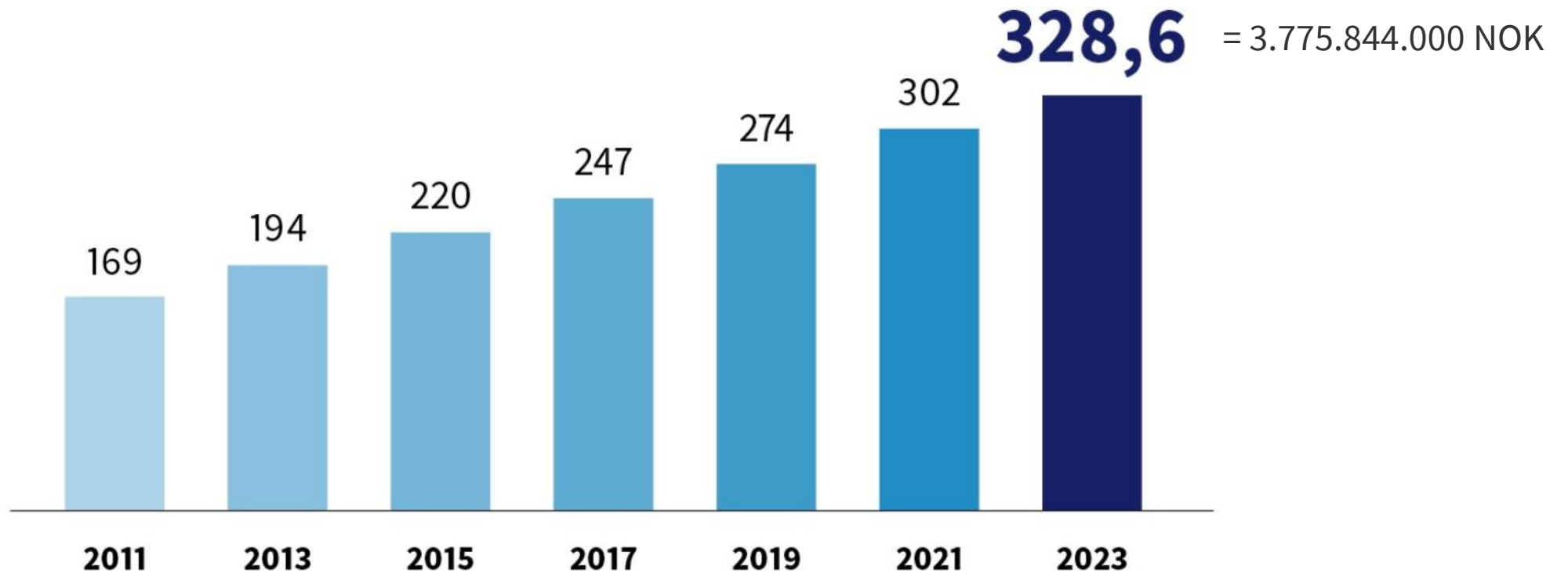
- In PHI in Germany, "ageing reserves" are a crucial part of the premium structure designed to help maintain stable premiums throughout a policyholder's life, even as healthcare costs rise.
- These reserves are essentially a portion of the premium that is saved and invested, accumulating over time to offset the increased costs associated with aging and potential health issues.



Quelle: PKV

* Recommended reading (German language): <https://www.pkv.de/wissen/private-krankenversicherung/nachhaltige-finanzierung>

Developement of ageing reserves in PHI (billion Euro)

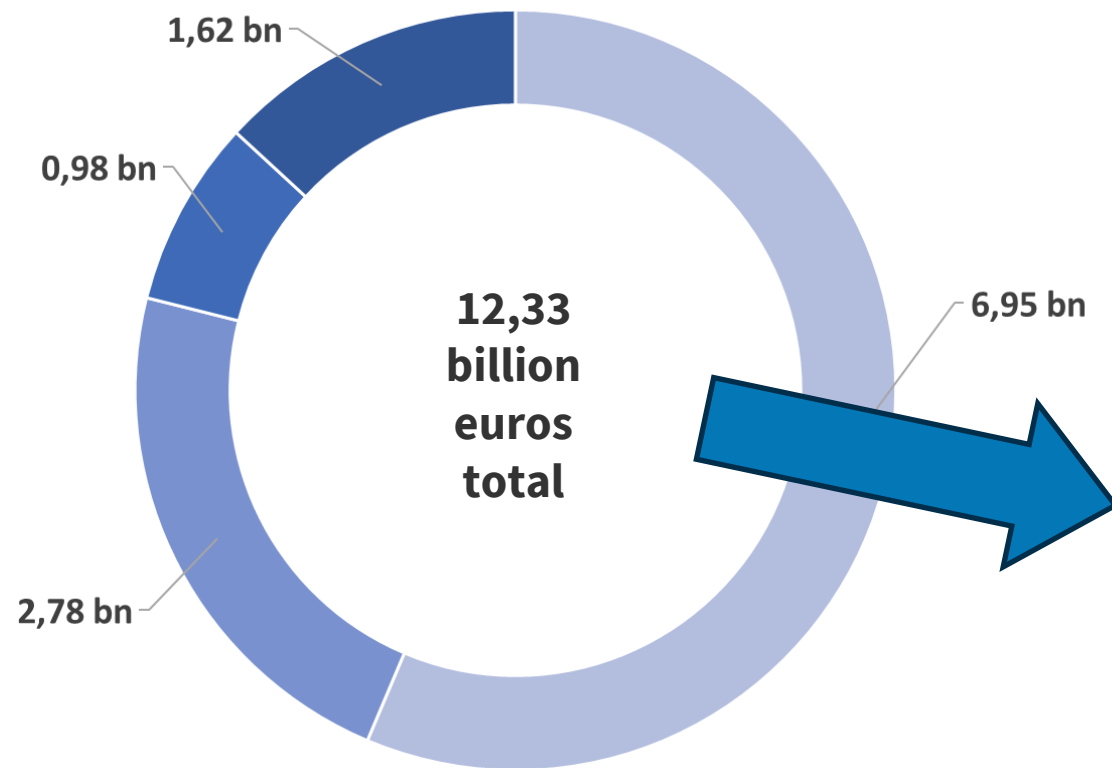


Source: PKV-Verband (2023)

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Surplus from privately insured persons per sector in EURO (2022)

PHI strengthens the entire health care system

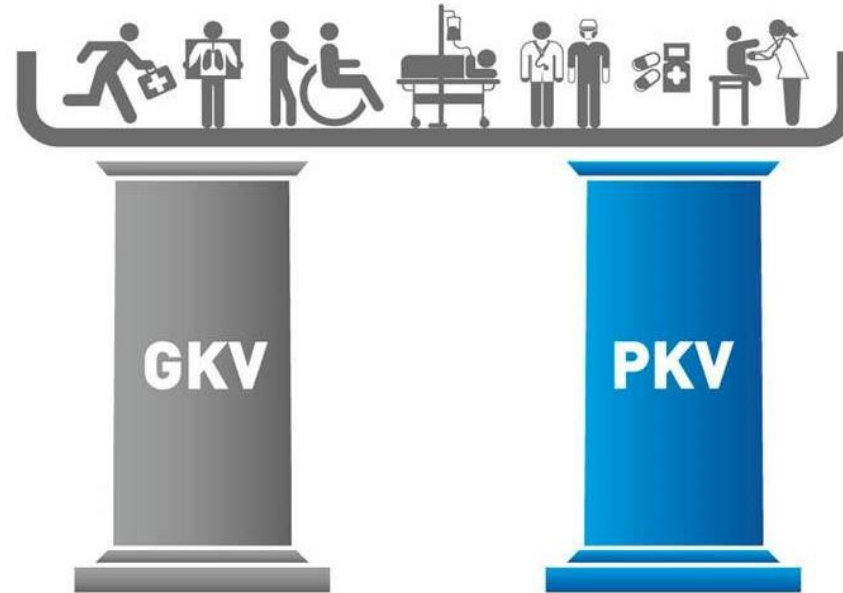


The surplus of privately insured patients quantifies the additional financial resources that only flow into the German healthcare system because the services for these patients are not subject to the limited and partly budgeted reimbursement systems of the SHI system.

Prerequisite for a modern (innovative) medical infrastructure for both SHI and PHI patients!

■ outpatient medical care ■ dental care ■ physiotherapy; speech therapy ■ other

Two insurance systems – one health system



The proportion of private care/private doctors in Germany is very low: Patients with statutory and private insurance usually see the same doctors!

All patients (SHI and PHI) have access to the same medical care facilities



Universal health insurance cover



Low deductible



Comprehensive range of healthcare services

Advantages for
patients with
statutory **and**
private insurance



Low level of rationing



High standard of care



Short waiting times

Characteristics of PHI

Freedom of choice

Choice of benefits according to personal preference - from basic cover to top cover

Lifetime benefit guarantee

No statutory restrictions on benefits

Sustainable financing

Intergenerational fairness thanks to ageing provisions

Fast access to innovations

Free choice of doctors and hospitals

Good reasons for private health insurance



claims to be the engine for
innovation in healthcare



strengthens the entire
healthcare system



guarantee for freedom of choice
and self-determination



is financed generationally



indispensable pillar
in the healthcare system

Tusen takk!

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Backup slides on the topic of innovation

Innovation drive according to areas of care

Outpatient care

- SHI entry hurdle: reservation of approval by the Federal Joint Committee (*Gemeinsamer Bundesausschuss – G-BA*): It takes up to 12 years (!) for a service to end up in the SHI benefits basket
- PHI: Innovations without reservation of permission
- PHI: Refinancing of innovations via medical fee schedule for the treatment of private patients (*Gebührenordnung für Ärzte – GOÄ*)

Inpatient care

- In contrast to SHI, in PHI outpatient treatments that take place in hospital are covered in the same way as other outpatient treatments
- Billing partly via GOÄ instead of DRG
- Additional revenue through optional services (e.g. private room)

Dental care

- SHI entry hurdle: G-BA reservation of approval; fixed allowances for dentures
- In the case of innovative dentures, PHI (together with the patient who pays out-of-pocket) is the sole supporter of innovations

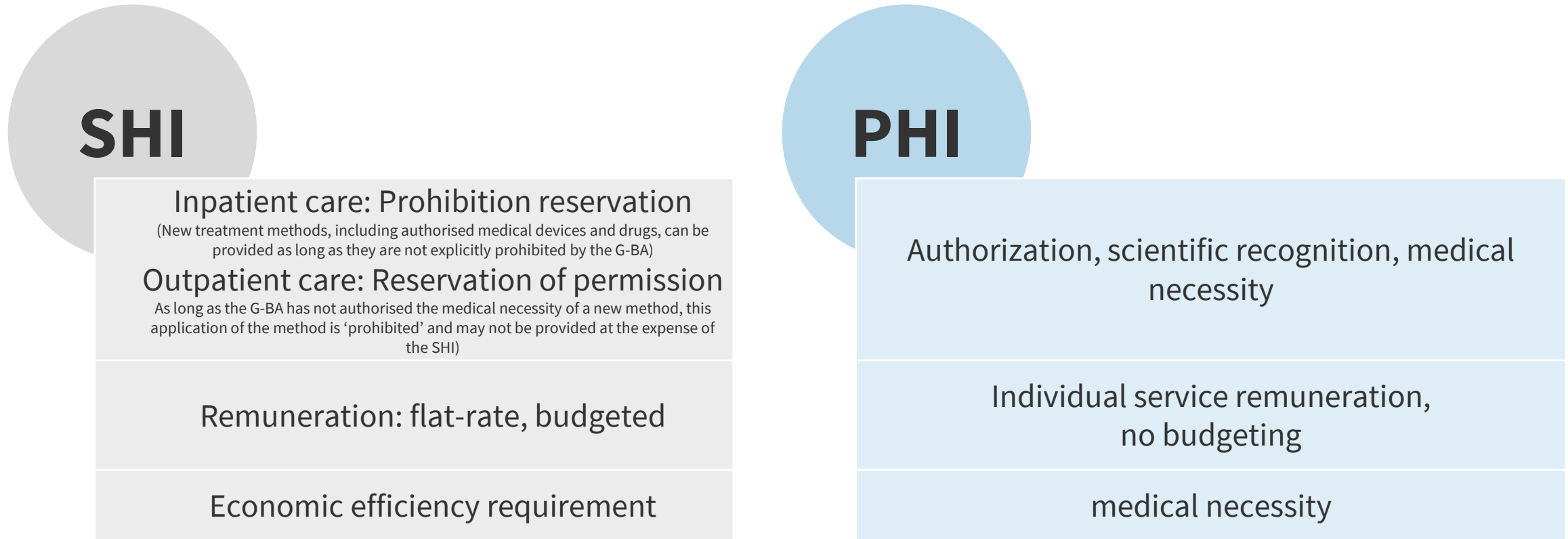
Long-term-care and Long-term-care advice

- Ideas competition with statutory long-term-care insurance: [compass®](#), [ZQP](#)

Pharmaceuticals

- SHI: discount agreements, guidelines, reference values, risk of recourse, co-payments for drug prices
- Differences in care and prescribing: privately insured patients receive innovative medicines more frequently

Key difference for access to innovations



Private health insurance stands for **freedom of treatment** and enables **innovations** to access the healthcare system more quickly.

Competition between SHI and PHI ultimately benefits all insured persons in Germany: if one insurance system takes on a pioneering role in innovation, the other insurance system has to deal with this innovation and react to it.

PHI promotes digital medical innovations

The 'Heal Capital I and II' healthtech funds



- One of the largest venture capital funds in Europe in the field of digital health: [Heal Capital](#)
- Focus of the fund: digital health applications, telemedicine, digital prevention, digitalisation of care
- Financial resources: 100 million euros
- Management: „Heartbeat Labs“ und „Flying Health“

Examples of previous Heal Capital investments:



Effektive
Patientenversorgung
mit KI



Mit Technologie
Familienpflege
stärken



Integrierte digitale
Versorgung für
chronische Leiden



CEREGATE

Softwarebasierte Hilfe
bei Parkinson



Hausarztpraxen mit
digitaler Anbindung



Digitale
Unterstützung für
sichere
Blutanalysen



Digitaler
Apothekenservice

Since 2024: Follow-up fund 'Heal Capital II'

- Volume: more than 100 million euros
- Co-investment by renowned investors such as the European Investment Fund (EIF) and the MEDICE Health Family
- Funding of currently 18 European start-ups in the fields of diagnostics, therapy and infrastructure