MANAGEMENT OF THE HEALTHCARE SYSTEM IN GERMANY AND FRANCE

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ABSTRACT

Reflections on the issue of human life, its quality and duration, have contributed to health being increasingly considered a common good – a public good. Changes in perspectives relating to human life and health led to protection of life being recognized as the highest good and the greatest gift offered to a man. Society entrusted this task to a public authority. The public authority, recognizing that protection of the health of the citizens is one of its most important tasks, initiates and creates a system where the tasks related to health protection are implemented in an efficient and organized manner.

The basic criterion for a patient’s selection of a medical facility is quality and effectiveness of provided services, assuming their availability. The adopted procedures for managing and financing the health system in a given country significantly influence the quality and effectiveness of provided medical services.

This article will present the functional principles of healthcare systems in Germany and in France, the organization of these systems and their main elements and interrelationships.

The aim of the article is to compare the management and financing systems for healthcare in both countries. The healthcare systems in both Germany and France are derived from the insurance model. However, these two countries have different approaches to management and financing, and accordingly, they understand the role and the responsibility of the state in this process differently. In order to achieve the article’s goal, documents including the leading positions in Polish and foreign literature relating to the merits of the issues, together with the available literature published by institutions, have been examined and reviewed.

KEYWORDS: system, health protection, management, financing, France, Germany

BACKGROUND

When comparing the German and the French healthcare systems, it is impossible not to recall the historical circumstances that helped in shaping them. Considering historical premises, four classic models of health protection can be distinguished: an insurance model (German, Bismarck), a supply model (British, Beveridge), a socialist model (Soviet, Siemaszki) and a multi-market model (residual, American) [1].

The distinguishing features of healthcare models belonging to the classic classifications, is the role that the state and the public authority play in the creation and functioning of each model in a given country. The system for financing healthcare (collection of funds and the manner of their distribution) and availability of medical services for the community are other parameters that characterize each of the models. In their studies, the classic models of healthcare were introduced by, among others, Leowski [2], Lewandowski [1] and Przybyłka [3].

In the light of the topic under consideration, it is useful to present the main assumptions of the insurance model.

The insurance model, often referred to as the "Bismarck model", owes its name to the creator – Otto von Bismarck, then the Chancellor of Germany, who introduced the system of financing healthcare through obligatory and general health insurance contributions. As a result of the introduction of general insurance, state organizations were formed which society could easily identify with, and they comprised one of the elements of the concept of the national German state – a concept promoted by the Chancellor [4].

In the described insurance model, the decision-making process is decentralized. The role of the state is to create the basis and legal framework for the function-
ing of the system, while management is performed by financial institutions that function independently of the public authorities. The main assumption of this model, with regard to the creation and operation of such institutions, is the collection and accumulation of insurance premiums, which are used to finance healthcare.

Furthermore, access to medical services is provided to every insured person who pays premiums (it is a condition for granting the benefits), and the scope of such benefits are specified in an insurance contract.

**Management of the healthcare system in Germany**

In 1883, Germany implemented compulsory health insurance which became the precursor to the introduction of a socially legislated health insurance system. The fundamental principles underlying the introduced changes were the separation of health insurance premiums from state revenues obtained via taxes and obligatory participation in the scheme (the employer and the employee are legally obliged to pay the insurance premiums). These two principles have remained essentially unchanged to this day [4].

At the national (central) level the House of Parliament (Bundestag) is the main legislative body and the Federal Council of Germany (Bundesrat) performs legislative functions and establishes the law, whereas the responsibility of the Federal Ministry of Health (Bundesministerium für Gesundheit) is legislative initiative. The scheme of German healthcare system management is shown in fig. 1.

The Federal Ministry of Health prepares drafts of laws, develops regulations and provisions related to the functioning of the healthcare system and submits them to the Parliament and the Federal Council of Germany. Statutory health and social insurance are a primary concern of Federal Ministry of Health activities, as well as matters related to protection of health and life. The Federal Ministry of Health establishes the requirements and formal procedures for clinical trials and also controls and monitors medication and pharmaceutical distribution. The scope of the Ministry’s competencies also includes creating provisions for medical profession admission criteria and establishing regulations for professional trainings. The Federal Ministry of Health, which is supported by the Robert Koch Institute (Robert Koch-Institut), the Paul Ehrlich Institute (Paul-Ehrlich-Institut), the Federal Centre for Health Education (Bundeszentrale für gesundheitliche Aufklärung), the Federal Institute of Medicines and Medical Equipment (Bundesinstitut für Arzneimittel und Medizinprodukte) and the German Institute for Documentation and Medical Information (Deutsches Institut für Medizinische Dokumentation und Information) manages the German healthcare system and authorities of the 16 federal states – Länder [5,6].

The functioning of healthcare system, at the level of the Länder, rests with the state government, whose separate thematic departments manage various aspects of citizen life. The governments of the federal states do not have legislative powers related to healthcare. Länder authorities exercise a direct supervision over professional physician associations, health insurance funds and oversee their respective hospital policy (planning the development of a network of state and private hospitals in their area, bearing costs related to hospital investments, e.g. buildings, medical devices, etc.). It is also the responsibility of a Länder to determine the number of locations able to participate in medical studies and to define standards and benchmarks related to the implementation of medical practices and specializations [6].

The Central Decision Committee in the German healthcare system is the Joint Federal Committee (Gemeinsamer Bundesausschuss), which issues directives for many aspects of healthcare examination and treatment and supervises implementation of each aspect, e.g. regulation of medicinal products, introduction of new treatment methods, etc. The Federal Committee consists of representatives from self-governing professional associations of physicians and hospitals, health insurance companies, the German Federation Hospital (Deutsche Gesellschaft Krankenhäuser) and patients’ associations.

Medical and hospital associations, private and state-owned as well as patients’ associations, also play a significant role in the German healthcare system.

Medical services are provided by physicians affiliated with regional and federal associations of physicians and dentists, who perform individual or, less frequently, team-based medical practice and hospitals affiliated with hospital associations at the federal and Länder level.

Physicians are affiliated with regional associations of physicians, providing services that are covered by health insurance (Kassenärztliche Vereinigungen). Membership in the professional self-government is obligatory. An affiliated doctor receives payments for completed medical services directly from their professional self-government. A self-government of doctors, on behalf of their members, conclude contracts with health insurance companies, which are obliged to enter into contracts with all eligible persons.

The basic source of financing for healthcare is the statutory health insurance. There are also voluntary private insurance funds. The private medical services market is a complement to the functioning healthcare system in Germany, under which more affluent people have the opportunity to purchase services through a direct payment [5].

Statutory health insurance funds are collected centrally in the Health Fund and transferred to health insurance companies. Health insurance companies (Landesverbände der Krankenkassen) at the Länder level are associated with the federations of insurance.
companies (Bund der Krankenkassen) at the central level. These insurance companies are a direct payer of medical services provided to the eligible persons – the insured.

Patients in Germany generally have the freedom to select their physicians (from those physicians who have signed contracts with health insurance companies). Persons covered by statutory health insurance can freely choose from ambulatory care physicians who have been accredited by the health insurance funds. Patients can also freely choose from hospitals with whom the health insurance funds have signed contracts. The freedom of choice also applies to health insurance funds. In the case of uninsured people (mainly long-term unemployed, disabled, addicted, homeless), payment is covered by social assistance.
Management of the Healthcare System in France

The French healthcare system was introduced in 1930 along with the Social Security Act. For the first time, a mandatory healthcare system was implemented that was paid for by the employers. An employer was obliged by law to pay insurance premiums for the employees earning the least.

The French healthcare system historically derives from the insurance model and is organizationally based on the Bismarck approach. The public authority is the main element of the healthcare system and it manages all of its activities and processes. In France, the state intervenes directly in the financing and organization of health services. The scheme of the French healthcare system is shown in fig. 2.

The French Parliament has a legislative and control role in health policy and regulations related to the healthcare system, and it controls the realization of the primary health policy objectives and healthcare resources. Every year, the Parliament adopts the Act on Financing Social Security, in which, among other provisions, it sets expenses for the next year related to health insurance and defines the national targets for health insurance expenditure. The author of the Act is the government supported by the Auditors of the Court of Auditors (Cours des comptes), the High

![Diagram of the French healthcare system management](image-url)

Figure 2. The scheme of French healthcare system management.

Source: authors’ findings based on: Chevreul K, Brigham KB, Durand-Zaleski I [7].
Council for the Future of Health Insurance (Haut conseil pour l’avenir de l’assurance maladie), the High Council of Public Health (Haut conseil de la santé publique) and the National Health Conference (Conférence nationale de santé) [7].

The government’s role is to initiate legislation and develop and present legal regulations to the Parliament. The government is accountable to the Parliament for the implementation of health policy and operation of the healthcare system. The Ministry of Solidarity and Health (Ministre des Solidarités et de la Santé) acts on behalf of the government. Its duty is also to prepare and implement government policy regarding families, the elderly and drug users/addicts. In this aspect, it prepares and implements provisions regarding the management of social insurance organizations and pension, sickness and maternity insurance, as well as family benefits. The Ministry is responsible for the functioning of public hospitals, supervision of all healthcare institutions and provision of healthcare, medical and social care as well as outpatient facilities. The scope of activities and responsibilities of the Ministry also includes supervision of the training of healthcare workers [8].

At the regional level, the state is responsible for the organization and management of the healthcare system. For this purpose, the Regional Health Agencies (Agences Régionales de Santé) have been established. Since 2016, there have been 17 regional health agencies (13 in the metropolises of France and 4 foreign) established in accordance with the territorial organization of France.

The governing body of the Regional Health Agencies is the National Steering Board (Le Conseil national de pilotage), which ensures the coherence of public health policy. The National Steering Board determines the strategic directions of national activities that contribute to improving the quality of care provided in the region.

The Regional Health Agencies define the coherent management of healthcare resources in order to ensure equal and undisturbed public access to the appropriate level of healthcare. The main tasks of the Regional Health Agencies are supervision of public health policy and management of regional healthcare, as well as monitoring the regional health status of the population and assessment of the education of health workers.

The Regional Health Agencies are public institutions, autonomous both functionally and financially. At the regional level, they are the primary managing authority for all of the health-related entities operating within a given region. Regional Health Agency activities are implemented through the regional health programmes created out of, among others, preventive plans and care organization plans (in patients’ homes, outpatient clinics and hospitals), as well as regional program for the organization of medical care for the elderly, the dependent and the disabled [9].

The healthcare system in France is financed by general health premiums, paid through statutory health insurance which essentially the entire society contributes to (99% of the country’s population). General statutory health insurance consists of several programs. The main programs include [7]:

- a general statutory health insurance program (Caisse nationale d’assurance maladie des travailleurs salariés), which includes employees working in trade, industry and services including their families,
- an agricultural statutory health insurance program (Mutualité Sociale Agricole), which includes farmers and agricultural workers including their families,
- a statutory health insurance programme for the self-employed (Régime social des indépendants), it includes the self-employed, e.g. lawyers.

The statutory health insurance programs belong to the National Union for Health Insurance (Union Nationale des Caisses d’Assurance Maladie) and are represented by the union, among others, in negotiations with entities providing medical services [10].

Employees and their families are associated with an insurance program based on their employment status and remain in it until their retirement. Working people have no choice in program to which they are registered, and they cannot opt out of insurance except for some cases (e.g. emigrants and employees of multinational corporations). Non-working people are automatically assigned and registered in the general system.

Conclusions

In Germany, the healthcare system is decentralized. Competencies are shared between the federal government, the federal states – Länder and the corporate level – the associations and chambers of medical professions, as well as organizations associated with medical entities and public and private insurance companies. All these institutions participate in the management of the healthcare system and are jointly and severally responsible for its functioning. In Germany, the state organizes the healthcare system, while the operational management of the healthcare system and its financial management is assigned to institutions, which are independent of public authorities.

In France, the state is responsible for operational and financial management of the healthcare system. The public authority takes full responsibility for the management of the healthcare system, its organization and the creation of its structures, as well as the establishment of subordinate and dependent institutions. The state ensures the coherence of public healthcare and is responsible for the quality, availability and efficiency of the entire system. The French healthcare system is mixed and combines features of the insured model with features of the supply model, as reflected in a single public payer and strong state intervention.

Although the level of healthcare in both countries is considered to be one of the best in Europe, the German and French healthcare systems present different con-
cepts of societal responsibility for citizens’ healthcare [11]. This assertion is based on, among other things, the assessment of the quality of medical services provided, access to medical care, including specialists, which translates into the life expectancy of citizens of these countries. The systems of both Germany and France are characterized by some of the highest average life expectancies of citizens worldwide. In France, life expectancy is 79.3 years of age for men and 85.5 years of age for women. In Germany, it is 78.3 years old for men and 83.2 years old for women. The average is 77.9 years of age for men and 83.1 years of age for women (to compare, the life expectancy value for Polish citizens is 73.5 years of age for men and 81.6 years of age for women) [12–13].

The extent to which the healthcare system is financed combined with high life expectancies, among other things, affects the perception of healthcare system functioning in both Germany and in France. In Germany, 11.3% of GDP is devoted to healthcare and 11.5% of GDP in France (compared to 6.7% of GDP in Poland) [3,13] which, considered in the international arena, puts these two countries at the forefront in respect to financing.

References:


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