

Supplement 2.

Germany's health and social protection system and federalist structure

The German social security protection system is based on the Bismarckian social insurance principle. Wage-based social insurance contributions (by employers and employees) are the main financing source of pensions, health care, long-term care, unemployment benefits, and the occupational accident insurance. Social insurance administration is entrusted to federal authorities with legal supervisory authority, which are self-governed by employers and employee representatives and operate under the supervision of the Federal Ministry of Labour and Social Affairs and the Federal Ministry of Health.¹

Social health insurance covers around 74.4 million (90%) Germans (total population 82.7 million in 2017), with most others having private health insurance and a small proportion with no insurance.² Nearly 60% of all health-care expenditures are financed by social health insurance funds; other sources include private health insurance contributions, public households via taxation (pooled at national, state, or municipal level), employers, and out-of-pocket payments. Approximately 3% of all health-care expenditures are allocated to health promotion and disease prevention.³

The federal structure in Germany sees a division of health and social service responsibilities between the national, state, and municipal levels. The Federal Ministry of Health has legislative power and directs the overall health-care and child and youth service systems.⁴ The 16 Federal States in Germany have responsibility and decision-making power related to the specific operation of the health and social systems. This includes hospital planning, investment costs in hospitals, and public health care services. They also supervise regional health insurance funds.

Germany's approximately 600 municipalities are responsible for the provision of public health, emergency health, and social services at local level, and they are often hospital owners. Municipal authorities also play an important role in ensuring the necessary interlinkages at local level between different parts of the health and social systems.

¹ Federal Ministry of Labour and Social Affairs, Germany. Social security at a glance 2018. Bonn; Federal Ministry of Labour and Social Affairs: 2018. https://www.bmas.de/SharedDocs/Downloads/DE/PDF-Publikationen/a998-social-security-at-a-glance-total-summary.pdf;jsessionid=06D926108767ED932F71E6D74EF0A45F?__blob=publicationFile&v=8.

² World Bank Group data [Internet]. <https://data.worldbank.org/indicator/SP.POP.TOTL>.

³ Destatis.de [Internet]. Statistisches Bundesamt [Federal Statistical Office], 2018. <https://www.destatis.de/DE/ZahlenFakten/GesellschaftStaat/Gesundheit/Gesundheitsausgaben/Gesundheitsausgaben.html>

⁴ Bundesgesundheitsministerium.de [Internet]. Bundesministerium für Gesundheit [Federal Ministry of Health], 2018. <https://www.bundesgesundheitsministerium.de/themen/gesundheitswesen/staatliche-ordnung/akteure-der-gesundheitspolitik.html>