

## Structures of the Healthcare System in Germany (2025)



## Contents

- **Introduction**
- **Key Players in the Healthcare System**
- **Healthcare Financing**
- **Types of Care & Healthcare Providers**
- **Regulation, Quality, and Governance**
- **Challenges & Future Outlook**

## Introduction

A healthcare system includes all organizations, resources, and people whose primary goal is to maintain and improve health.

Germany's healthcare system is considered one of the most comprehensive in the world, rooted in values of solidarity, subsidiarity, and self-governance.





It is structured as a dual system of Statutory Health Insurance (GKV) and Private Health Insurance (PKV), regulated by the state but managed largely by autonomous institutions.

The system guarantees access to essential services for nearly all residents, funded through contributions and governed by federal law.

## Key Players in the Healthcare System

## Stakeholders Overview



### Main actors in Germany's healthcare system include:

- **The Government:** Sets the legal and policy framework through the **Federal Ministry of Health (BMG)**.
- **Health Insurance Funds:** Divided into statutory (GKV) and private (PKV) providers. They finance and regulate service provision.
- **Healthcare Providers:** Doctors, hospitals, rehabilitation centers, and therapists deliver care.
- **Patients:** Have free provider choice within the system and play a growing role in self-care and decision-making.
- **Self-Governance Bodies:** Like the **National Association of Statutory Health Insurance Physicians (KBV)** and **Federal Joint Committee (G-BA)**, help manage the system.

## Role of the State



- The **Federal Ministry of Health (BMG)** is responsible for national healthcare policy, including legal frameworks and prevention strategies.
- **Länder (federal states)** oversee hospital planning, supervision of public health services, and medical licensing.
- **Local governments** operate public health departments, vaccination campaigns, and basic healthcare services.

### Key Responsibilities:

- Health legislation (e.g., SGB V - Social Code Book V)
- Pandemic response coordination
- Promotion of public health and digital health adoption

## Healthcare Financing

## Funding Models

Germany uses a **multi-source healthcare financing model**:

- **Statutory Health Insurance (GKV):** Compulsory for most, financed via income-based contributions (~14.6% + supplemental contributions).
- **Private Health Insurance (PKV):** Optional for high-income earners and self-employed; premiums depend on age, health, and services selected.
- **Tax Revenues:** Support health promotion, social welfare, and care for uninsured populations.
- **Out-of-Pocket Costs:** Include co-payments for medications, hospital stays, and some services.



## Statutory Health Insurance (GKV):

- Covers ~86% of the population.
- Based on **solidarity**: higher earners subsidize lower earners.
- Contributions are income-dependent and shared between employers and employees.



## Private Health Insurance (PKV):

- Covers ~11% of residents.
- Based on **individual risk profiles**.
- Offers faster access to specialists, private rooms in hospitals, and customized plans.

## 2025 Update:

**Income threshold for PKV entry:** €73,800/year

GKV contribution cap raised to meet growing care demands

## Long-Term Care Insurance

- Introduced in **1995** as the "**fifth pillar**" of Germany's social insurance system.
- It covers **home care, assisted living, and nursing homes**.
- Everyone with health insurance (GKV or PKV) is legally required to have long-term care insurance.

### 2025 Reforms:

- Contribution rate increased by **0.2 percentage points** due to demographic pressure.
- New quality benchmarks for long-term care facilities.
- Promotion of digital solutions (e.g., care monitoring apps).



## Types of Care & Healthcare Providers

## Outpatient and Inpatient Care



### Outpatient Care:

- Delivered by **general practitioners, specialists, and dentists**.
- Usually the first contact point for patients.
- No gatekeeping system (patients can directly access specialists).

### Inpatient Care:

- Provided in public, private, and non-profit hospitals.
- Funded through **Diagnosis Related Groups (DRGs)** and state investment.



### Recent Trends:

- Shift toward “**ambulant before inpatient**” care.
- Increased focus on **integrated care models** to bridge the gap between sectors.

## Rehabilitation and Long-Term Care

### Rehabilitation Centers:

- Aim to restore patients' physical and mental functions after illness, surgery, or trauma.
- Services covered by health or pension insurance, depending on context.

### Long-Term Care:

- Includes both **stationary care (nursing homes)** and **ambulant care (home visits)**.
- Increasing reliance on **informal caregivers** (family) supported by financial allowances.

### Policy Direction in 2025:

- Expansion of preventive rehab services.
- Digital monitoring tools and AI-assisted care assessments under trial.



## Digital Health & Innovation



### Electronic Patient Records (ePA):

- Rolled out nationwide since 2021, expanded in 2025.
- Contains prescriptions, vaccination records, lab results, and hospital discharge summaries.

### Telemedicine:

- Especially used in rural areas and during follow-ups.
- Enabled under the Digital Healthcare Act (DVG); reimbursed under GKV.

### DiGAs (Digital Health Applications):

- Certified apps for mental health, diabetes, back pain, and more.
- Must prove benefit to be reimbursed by insurers.

## Regulation, Quality, and Governance

## Governance Structure

### **Federal Joint Committee (G-BA):**

- Germany's highest decision-making body in self-governance.
- Composed of health insurers, medical associations, and patient representatives.
- Determines which medical services are reimbursed under GKV.

### **Self-Governance in Practice:**

- Physicians and insurers negotiate fee schedules (EBM for outpatient, DRGs for inpatient).
- Autonomous yet state-supervised to ensure transparency and fairness.

**Balance of Power:** Between federal oversight and decentralized professional autonomy.



## Quality Assurance



### Institutions Involved:

- **IQTIG** (Institute for Quality and Transparency in Healthcare): Develops quality indicators.
- **ZQG** (National Agency for Quality in Hospitals): Measures performance and patient satisfaction.

### Tools and Processes:

- Hospital report cards (Qualitätsberichte)
- Mandatory audits and outcome tracking
- Benchmarking and peer reviews

### 2025 Reform Highlights:

- Quality now directly affects hospital funding.
- More patient involvement in feedback and ratings.

## Legal Framework and Data Protection

### Legal Foundations:

- **SGB V (Social Code Book V):** Governs health insurance and care provision.
- **Patient Rights Act (2013):** Codifies informed consent, documentation access, and complaint rights.

### Data Protection:

- **GDPR (EU Regulation):** Applied fully to health data; consent is key.
- **Digitale Versorgung-Gesetz (DVG):** Sets rules for ePA, DiGAs, and digital communication.

### 2025 Updates:

- Patients can now selectively share parts of their ePA.
- National health data infrastructure (gematik) expanded.



## Challenges & Future Outlook

## Current Challenges



### Demographic Shift:

- Over 22% of Germans are aged 65+ in 2025.
- Chronic diseases like diabetes and dementia on the rise.

### Staffing Crisis:

- Shortage of nurses, especially in geriatrics and rural areas.
- Increasing burnout among physicians.

### Cost Pressures:

- Health spending exceeds €460 billion (2025).
- Calls for spending efficiency and sustainability reforms.



## Hospital Reform 2025

### Reform Law: Hospital Care Improvement Act (KHVVG)

#### Key Elements:

- **65 Hospital Service Groups:** Define services based on complexity and volume.
- **Structural Quality Requirements:** Hospitals must meet criteria for staffing, equipment, and case load.
- **New Payment Models:** Shift away from purely DRG-based reimbursement to hybrid and value-based models.

**Goal:** Ensure availability, reduce duplication, improve outcomes.



## Digital Transformation



**Vision:** Fully digital patient journey by 2030.

### Infrastructure Goals:

- Nationwide access to fast internet in all care settings.
- Full adoption of e-prescriptions and digital sick notes (eAU).

### Innovation Support:

- Federal innovation funds (€300M) for AI and health IT.
- Collaboration with research institutions on big data analytics.

### Barriers Remaining:

- Fragmented systems.
- Unequal digital literacy.
- Data interoperability challenges.



Germany's healthcare system is resilient, inclusive, and built on strong legal and institutional foundations. Its strengths include comprehensive insurance coverage and effective collaboration among key stakeholders.

Yet, challenges remain—particularly in care coordination, digital integration, and workforce sustainability.

Moving forward, successful reforms must balance efficiency with fairness and ensure that innovation serves both system performance and patient well-being.

## Sources:

- (1) Federal Government of Germany. (2025). *Hospital reforms in force*.  
<https://www.bundesregierung.de/breg-en/federal-government/hospital-reforms-in-force-2283116>
- (2) McKinsey & Company. (2025). Future-proofing German healthcare: Three catalysts to accelerate change.  
<https://www.mckinsey.de/publikationen/2025-04-02-future-proofing-german-healthcare>
- (3) MTRC. (2025). Healthcare system changes in 2025 in Germany.  
<https://mtrconsult.com/news/healthcare-system-changes-2025-germany>
- (4) Germany Visa. (2025). Health Insurance in Germany - The German Healthcare System.  
<https://www.germany-visa.org/insurances-germany/health-insurance/>
- (5) Richmond Blackwood. (2025). Healthcare in Germany: How it works and 2025 changes.  
<https://www.richmondblackwood.com/en/guides/healthcare-in-germany-how-it-works-and-2025-changes>
- (6) IQTIG – Institut für Qualitätssicherung und Transparenz im Gesundheitswesen. (2025).  
<https://www.iqtig.org>



Remote  
Health



Co-funded by  
the European Union

©Remote Health EU, 2025, sponsored by Erasmus+

Author: Lulu Jiang, Joy of Learning–Gesundheitsbildung,  
Lerntherapie & Entwicklungsförderung München e.V.

Design: Lulu Jiang, Joy of Learning–Gesundheitsbildung,  
Lerntherapie & Entwicklungsförderung München e.V.

Illustrations with permissions of Canva

[www.remote-health.eu](http://www.remote-health.eu)