# Social and Moral Limitations of a Multi-Payer Health Care System in Germany

This essay aims to describe and discuss the social and moral limitations of a multi-payer health care system such as available in Germany or Austria and outline the problems regarding its social and moral controversies in respect to the foundational principles of the catholic social teaching.

## Introduction

The German healthcare system was founded during the widespread industrialisation period in Germany and the whole of Europe, in which the rights of the workers where disastrous neglected. It was together with other social instances the first step into a social economy, assuring the most basic human rights for the workers class.

In former days treatments on sick people were mainly performed as an art and by church instances, providing healthcare to the majority of people and not exclusively to who was able to afford treatments. The industrial revolution and change into a more economy-focused society also had a big impact on healthcare practices. During this time the circumstances in which the workers lived, did not allow them to access healthcare stations as it started to build up a healthcare economy in which sufficient healthcare service was limited to the wealthy population, able to pay for the service. With this social situation as the starting point, Otto von Bismark started to introduce a social Healthcare system, which is supported by the state, to offer dignified healthcare service to the entire population.

## German Healthcare System

Germany has the worlds oldest national social health insurance system, which is dated back to the year 1883, in which Otto von Bismark began with the build-up of social legislation. This included health insurance, accident insurance and old age and disability insurance. He expressed the importance of the governments' responsibility to ensure access to health care professionals in the way of subsidiarity, to guarantee a degree of independence for a lower authority in relation to higher instances or for a local authority in relation to the central government. Mandatory health insurance originally only applied to low- income workers and certain government employees but has gradually expanded to cover the great majority of the population. Standard insurance is funded by a combination of employee contributions, employer contributions and government subsidies on a scale determined by income level. Higher-income workers sometimes choose to pay a tax and opt out of the standard plan, in favour of 'private' insurance.

Normal earning employees are obliged to have public health insurance unless their income exceeds 60,750€ per year. If the income of employed workers exceeds the amount, they are allowed to choose private insurance instead. Freelancers are allowed to choose between public or private insurance, regardless of their earnings.

The governmental healthcare system of Germany is currently keeping a record reserve of more than eighteen billion euro, making it one of the healthiest healthcare systems in the world (Medscape, 2019).

## The negation of human dignity

For physicians. privately insured patients are a gold mine. With the same Treatment, they earn more money of a privately insured patient than a patient insured by the governmental insurance. Every Person insured by a public insurance company that ever tried to get an Appointment on short-call knows the side effects of this unequal payment system. Private insured People do not only get quicker Appointments but also come faster too. To prevent the other patients of recognising the privately insured Patients also wait in a separate room to the other Patients. The coexisting of two systems is leading to the unequal treatment of humans, who have the same needs and human rights. Assuming that everybody in this world, in the 21. century agrees upon the concept of human dignity, also the

equality should be a concept the whole population agrees on. Humans are equal before the law and in fundamental rights and duties regardless of sex, race, religion and class. The dignity every human being deserves can be named as unconditional respect, what also should apply regarding the healthcare treatment of patients. It is a limitation of human dignity if the patient receives earlier or later appointments according to the insurance company they are in, even though they might have the same urgency of being treated. It is a limitation of human dignity if the patient needs treatment, but the physician denies treating the patient if costs are not covered with the insurance company.

The private Insurance companies often argue, that their higher fees help to finance the healthcare system and keep private practices alive. But a study, done by the Bertelsmann Stiftung of 2013 (Herr and Lessing, 2015), shows that the private insurance companies are preventing a healthcare need-based supply. Regions with many privately insured Patients generally have an oversupply of physicians, as they are able to earn more money. In regions with lower availability of privately insured patients, tends to be short of doctors.

## The loss of subsidiarity

But also for the privately insured patients, not everything is as great as it seems. First, the private insurance companies try to get young and good earning clients by cheap fees and their promises of better healthcare supply. The least private insurances secure the basic benefits, offered by the apparently worse public health insurance companies. Even though they offer mostly treatments done by the head physician, but the payments of other important treatments are often not included: some cheap offers do not include treatments like psychotherapy, cure or logopedics. Who requires the help of a psychotherapist after a burnout or needs a speech therapist to learn to talk again after a stroke needs to cover the costs out of his pocket. This kind of underinsurance is hard to cover later: an increase in benefits gets harder with age and who already presents with complaints has to pay risk add-ons or exclude his disease from the insurance coverage.

Also, many people do not recognise, that their children are not co-insured and will have problems themselves to leave a private insurance company. Not everybody who is allowed to

change to private insurance is able to afford the costs over a long period. Different to the public insurance companies, the dues are not calculated by the income, but by the scope of services and the individual risk, so even if the income during the life is decreasing, the fees won't change. Instead, they will rise by three percent every year.

The concept of subsidiarity out of the CST Principles implies the state's participation in the society, to promote, support and assist the civil society in a way, that does not replace the participation of each citizen, but to assure each person's individual possibility to reach its highest potential. Problem with the private insurance companies is, that the clients will be health insured by an economy separated from the influence of the state. Of course, also this industry will be controlled by the laws of the state, but are they not able to assure the clients a social health coverage for any case scenarios, wherein the worst case the client will have to pay by himself for an important treatment or will not be able to receive any treatment.

## The danger for the common good

In an area, in which the whole life one work history is no longer the norm, private health insurance becomes a financial risk. Who is recognising this early enough will stretch the settlement and is looking for a way back into the public insurance companies. Because of this good earning people firstly profit by the cheap fees and better services of the private insurances, and will not contribute to the precaution of the majority of the society. The one basic principle for the state to assure is the subsidiarity. For this principle to work the participation of the population, as the payment of taxes into the common good. It is the good of everyone participating in the state: "We cannot just look for our own good or my community (country, ethnicity, religious, association, etc.) aside from or at the cost of the good of others" With the strategy of the private insurance companies to decrease the tax load of the clients, they are not contributing to the societies collective common good. By changing to a public insurance company when the wage is declined again or before they are not allowed to change anymore, they are exploiting the common good.

After 55 years of age, there is no way back into public insurance. Their only possibility now is to remain with their private insurance company and try to decrease their fees, which is shown by statistics of private insurance companies. According to the private insurance syndicate in the year 2015 around 75.000 humans are insured with the basic contracts, the only opportunity for all the people not able to afford the high fees anymore. As the dues for the public health insurance reduce when the client has a lower income, the private health insurance customers always pay the same basic due and receive similar services as the public health insurance offers.

For people who already have financial problems, private health insurance produces even more poverty. In the worst case, only the emergency contract is available until the client is able to pay for the fees again. The insurance company covers medical maintenance only in absolute emergencies, which covers broken arms, infarcts or childbirth. 116.000 people in 2015 were insured with this kind of contract, people who do not apply to the social and moral concepts of the state anymore and are excluded of the basic social principles like the common good, solidarity and the subsidiarity of the state.

## Conclusion

The German population can be proud to live in a state that is able to at least assure the basic right of every person to have free access to healthcare facilities and to be treated. In general, the public healthcare insurance system works so far good enough to present the record sum of eighteen billion euro reserve assets, marking it as the healthiest public insurance system in the world. Even though in a social point of view the system has many flaws which need to be revolutionised by further reforms of the healthcare system. Problems such as the allegation of a two-class system are a big problem what not necessarily is provoked by the insurance system itself, but also by the doctors' treating the patients. The doctors profession is not to earn as much money as possible, but treating the patients in an appropriate and effective way, what does not mean to treat privately insured patients preferred, because the physician is able to do more cost- intensive treatments. All patients have to be treated in the same way and have the same rights by asking for an appointment, treatment of a disease and care of the physician.

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