



# Reforming the German hospital system: A paradigm shift in patient classification?

Patient Classification Systems International

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# What are the implications of the hospital reform in Germany?

**16.8 mio.**

Patients are treated in German hospitals per year in round about 1.660 hospitals

The reform aims to **reduce treatment costs** in hospitals

Quality of service provision should be improved by including

**quality indicators**

**€132.7 bio.**

hospital costs arise yearly.



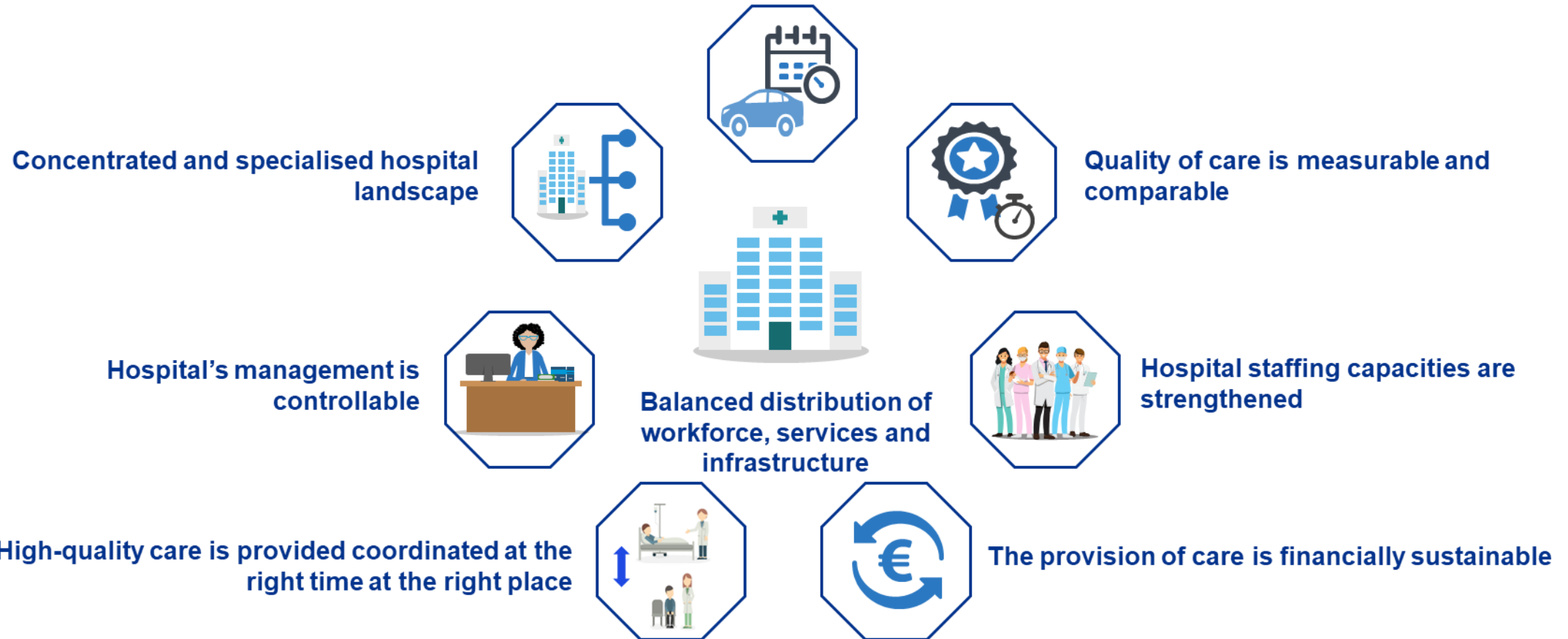
The federal states continue to see no common ground with the federal government [...]. In particular, the 16 ministers have renewed their fundamental criticism of the law's approval requirement, the implementation deadlines and the new remuneration system.

Ärzteblatt.de (30 Apr 2024)

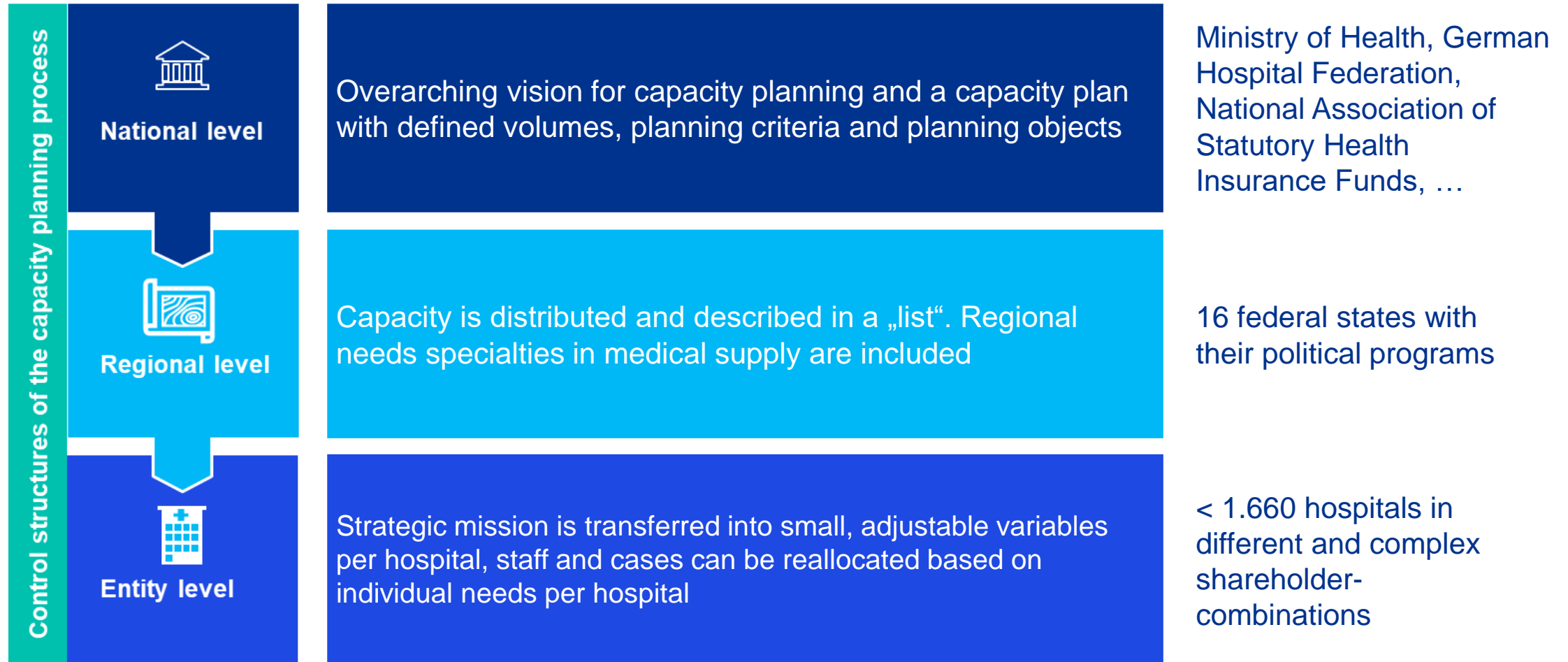
Planning mechanism shall use Medical Service Groups as planning objects, not only bed capacity as well as medical (specialty) departments

# The hospital reform aims for a more balanced distribution of workforce, services and infrastructure

Care is equally accessible for the population



# The stakeholder for a successful capacity planning are various



# Hospital capacity planning can follow different approaches

Modelling and allocating hospital capacity may follow two different methodological approaches. However, bed-related planning approaches, although still used in many healthcare systems around the world, have limitations.




## Bed-related planning approach

- Planning **merely based on demand**
- **Quality** aspects are only considered to a **very small extent**, if at all
- Typical determinants considered for planning: Population size, length of stay, overall hospital frequency, and bed utilization rate
- Planning object: Medical specialties (e.g. cardiology)
- Planning unit: Bed numbers

**+** Well-established, therefore easy to apply

**-** Bed numbers do not reflect the actual supply needed and disregard the workforce actually required to take care of the patients



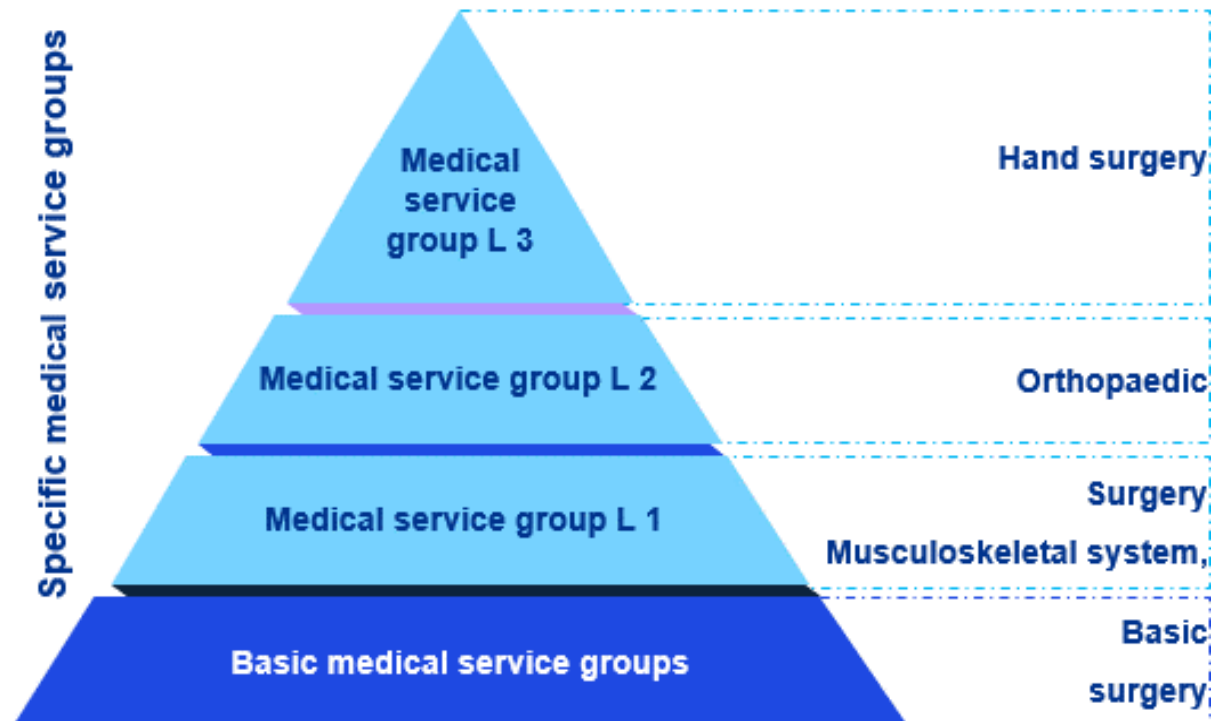
## Quality- and demand-oriented approach for capacity planning

- Planning based on **demand as well as quality** and performance of the hospitals
- Allow the implementation of **minimum quality requirements**
- **Determinants considered for planning:** Typical determinants and specifically designed quality-related planning criteria
- **Planning object:** Medical specialty departments or medical service groups
- **Planning unit:** Case volumes

**+** Allows a strategic long-term view and accounts for demand and quality of supply

**-** At the beginning: Higher effort to implement

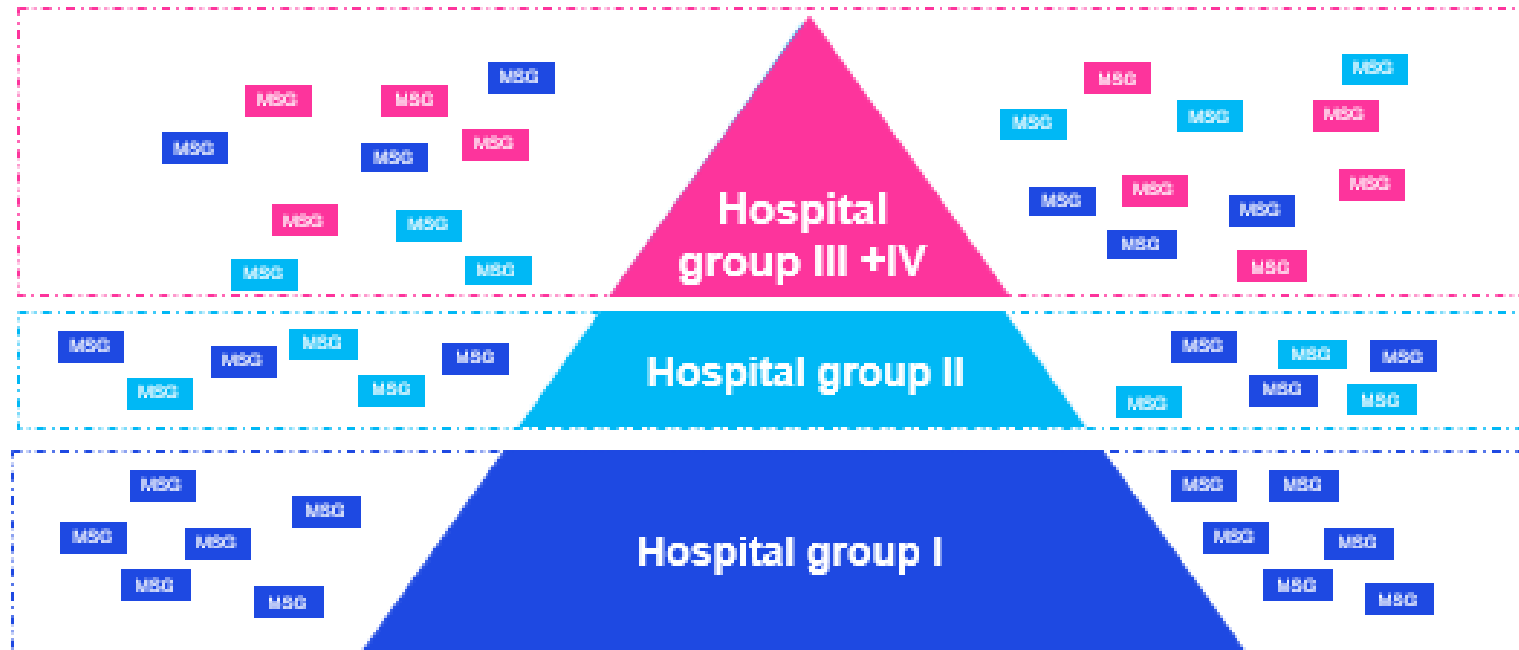
# Medical service groups can be distinguished between basic and specific service levels



The basic medical service group forms the **foundation for the more specific** medical service groups, resulting in a pyramidal hierarchy of medical service groups.

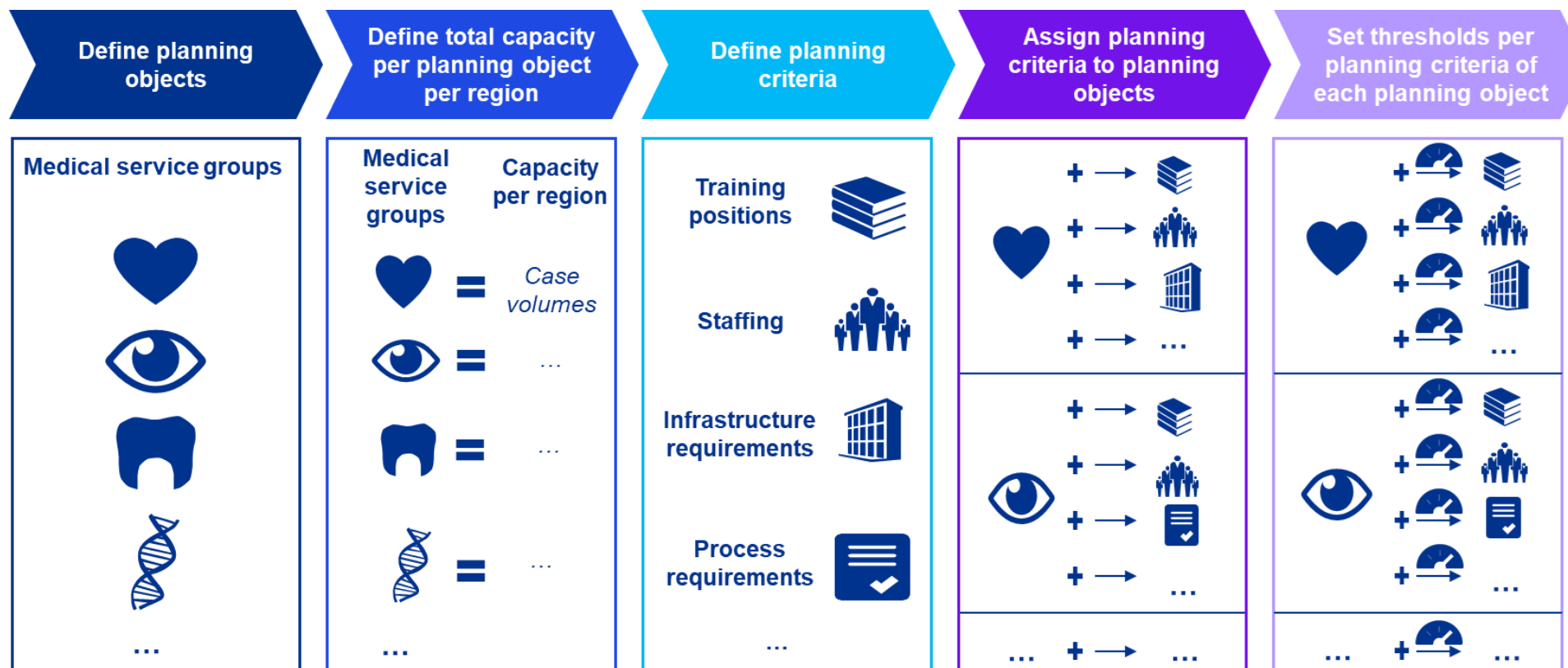
Higher levels in the pyramid involve a **higher level of complexity** and required specialization with regards to e.g., training and medical equipment.

# These service level will be reflected in the service level of hospitals leading to reshaping the hospital landscape



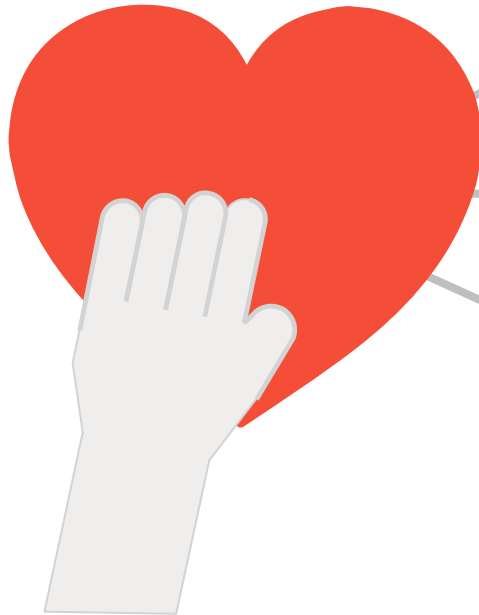
# Executing a capacity planning based on medical service groups consists of detailed sub steps

Standardized care pathways and expert committees can support hospital networks in precise planning when applying for regional capacity.





# The new reform aims to incentivize quality and optimize incentive structures in hospital planning



## Improving quality of care

Set quality standards, e.g., minimum volumes, will need to be maintained.



## Securing existence of hospitals in rural areas

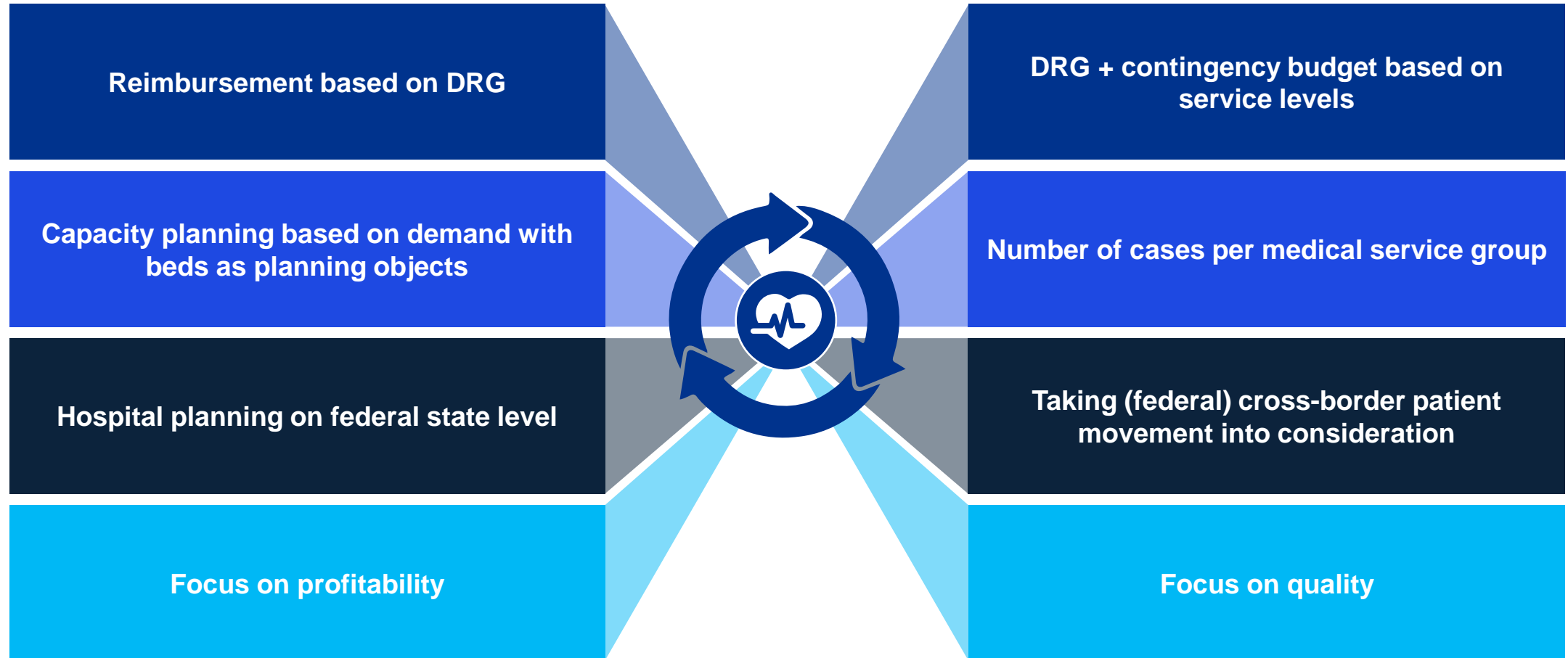
Improving cooperation between hospitals and other healthcare facilities and strengthening care in rural areas to prevent further hospital closures



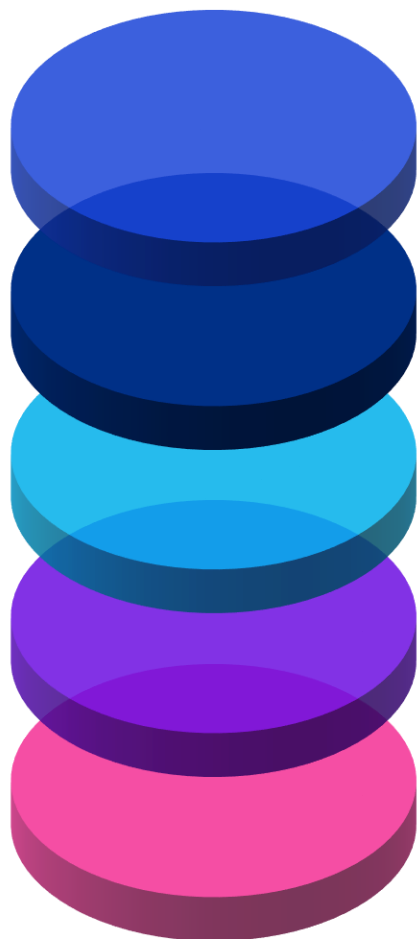
## Less bureaucracy for hospitals

Relieving hospitals of bureaucratic burdens and improving working conditions for medical personnel

# In a nutshell, the reform will lead to various adjustments for the German hospital market



# Several uncertainties arise about the implementation of the new reform



**01** Data requirements for qualitative measurements

**02** From DRG data to service groups

**03** Forming of service groups

**04** Uncertainties about the development of costs for patients

**05** Improvements in the provision of care in rural areas still unclear

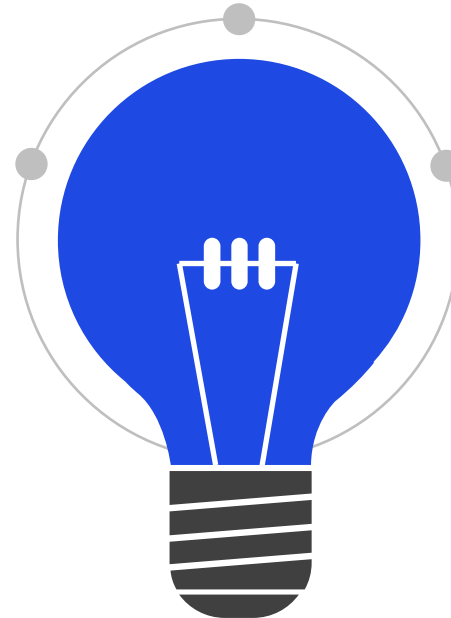


# Discussion

**What is the impact of implementing medical service groups for patient classification?**

**Which disincentives we can expect from this reform?**

**Other countries in Europe considering a similar capacity planning approach, would it be suitable for your region?**



**Which support/measures are required to make this reform successful, e.g., for service provider?**

...

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