

THE DOCTOR'S NOTEBOOK:

A series of opinion articles written by prominent medical leaders

Getting rid of Marx and Bismarck in Health Care: the German Quagmire

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"We want less work and more pay!" The medical strikes and demonstrations that took Germany by surprise this year, ruffled stereotypes on Germans' taste for grind and belied the vaunted selflessness of doctors. This crisis, unprecedented in German health care, raises a question: what makes a naturally benevolent corporation from a disciplined nation, abandon stethoscopes and march the streets in protest against authority?

Post-war Germany lived with both Bismarckian and Marxist models of socialized health care. With the fall of the Berlin Wall, East Germans dispatched Marxism into the dustbin of history and embraced market capitalism and the free world. The social insurance system that reunited Germany has to offer however, still owes more to ghosts of the old Prussian order than to the free market.

Commenting on the wave of doctor discontent, Professor Nagel from the *Institut für Medizin Management und Gesundheitswissenschaften* of the University of Bayreuth confesses "Germany does not have a true free market in the medical field". Failing to recognize this as the fundamental cause of crisis, he lamely concedes that "it is now necessary to see things from the perspective of the medical professionals" while predicting that this would not bring solutions to an "ongoing process of cost reduction".¹

How does this "ongoing process of cost reduction" affect medical practice? What indeed is the "perspective" of German doctors? Can their strikes and demonstrations save the doctor-patient nexus and bring "cure" back to the center of "care"?

The march to cost reduction and the "medical perspective"

Federal chancellor Merkel was raised in the DDR where black markets were the only markets. Market health care is anathema to her coalition partners of the SPD. It is therefore no surprise if the CDU chancellor and Ulla Schmidt her SPD health minister were able to agree on a line of health reforms based on regulation, price control and rationing.

Germany's "battle for a solidarity system" includes amongst other strong-arm measures: conscription of all income groups into regulated health schemes, plundering of private insurance companies and punishing pharmaceutical R&D by elbowing doctors into prescription of low-cost drugs.

Subsidiary health insurance was originally designed for those unable to face the costs of accident and illness. High-income groups seldom burden public health services. They pay for their medical expenses out of their own pockets. They use the facilities of private clinics or the private wards of public hospitals where they are generally charged hard prices for whatever unsubsidized care they receive. They feed welfare systems by paying higher taxes. Coercing the well to do into public health insurance can only increase the number of rationed travelers in an overloaded boat. The losers will be those most in need of subsidized care. Benchmark studies on resource use in the British National Health Service confirm beyond

¹Quotes from an Interview by ZDF Television

dispute, the intuitive assertion that the rich and well connected are able to take advantage of rationed health systems far more skillfully than the poor.²

German policy planners expect private insurance to "participate in the financial adjustment" of the "financial gaps" in public health schemes. Private insurers are weathered to risk management. They are attuned to the fluctuating demands of markets. Private insurance is a pivotal element of market reforms that will bring quality, equity and reason back into health care. Confiscatory measures that hinder the growth of this sector will not save regulated health care systems: they will only increase the transition costs of necessary change.

The "medical perspective" is best assessed in the light of regulatory measures that significantly affect therapeutic choice. Obsession with cost-containment obfuscates the need to see costs of efficient medical treatment as investments. The "Drugs Saving Package" recently voted by the German parliament, introduces penalties for prescription of "expensive" drugs and rewards physicians who restrict their prescriptions to low-cost generics. This ethically objectionable *Bonus Malus* legal gimmickry - akin to bribing physicians not to treat to the best of their ability - was one of the sparks of the doctor protest movement. A recent survey suggests that 65% of German physicians condemn bureaucratic tampering with prescriptions.³ Public perceptions echo their concerns. Questioned on the effect of *Bonus Malus* laws, 60% of people at large reckon that they will no longer get the best possible treatment from their doctors.⁴ Judging by media coverage, most Germans sympathize with their doctors' plight but express skepticism as to their ability to influence government health care policy and budgeting. The brand new *Alliance of German Medical Associations*⁵ may bring more clout to the doctors' cause.

How battles are won

Medical strikes and demonstrations seldom give long-term results. The celebrated 1964 Wynen⁶ doctor strikes stopped radical implementation of socialized medicine in Belgium. They did not prevent later intrusions of political nomenclature and a gradual erosion of doctor and patient autonomy.

By pressing demands on government for professional gain, doctors implicitly accept the rules of regulated medical care and allegiance to an authority other than that of their patient. They thus jeopardize the essential values of their profession. Unless they are ready to reconsider their premises, identify their natural allies and resuscitate their contractual partnership with their patients, doctors will not achieve significant change.

Teaming with one his patients, a Montreal GP, Jacques Chaouilli, stubbornly reclaimed fundamental liberties that socialized health care has forgotten. His appeal against laws that violated patients' rights to life, liberty and security was accepted by a ruling of the Canadian Supreme Court on June 9th 2005. This resounding victory of a doctor and his patient over bureaucracies, fundamentally changes legal paradigms in Canadian health care. It also shows how battles can be won.⁷

² Le Grand, Julian "The Distribution of Public Expenditure in the Case of Health Care", *Economica* vol 45 (n.s), pp 125-142 1978

³ "Consensus Research Group Inc." Report of Findings: Doctors Perception of Health Care and the Medical Profession – Germany 2006", Research Conducted for the Pfizer Medical Partnerships initiative.

⁴ TNS Health Care, public Survey for *Janssen Cilag*, February 2006

⁵ A coalition of major German Medical Associations founded on may 26th 2006.

⁶ Dr André Wynen who masterminded these strikes was later to become Secretary General of the World Medical Association.

⁷ Jacques Chaouilli "A Seismic Shift , How Canada's Supreme Court Sparked a Patients' Rights Revolution" Executive Summary No 568 - The Cato Institute May 8th 2006