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### **Research Paper**

I never thought about insurance. I never thought about who is paying for it. I never thought about how it works. The only thing I knew was that I can go to the doctor whenever I needed to and I was never scared of calling the ambulance because of the bill that come to me afterward. I'm a German student-athlete and study since last year in the US. Since I'm here I learned a lot about the differences you can find between the German and the American healthcare system. But how good is the German health insurance system really? Is it really a cheap system or are there hidden expenses? Which health care system is better the US or the German health system? And should the US health care system take the German system as an example? In the following, I want to answer all of these questions. I also want to show that the German healthcare system is a better system for the average population and adapting elements of the German health system would be a huge advantage for the US system.

My research is based on several topic-specific articles. Some of them investigate the German health insurance system others the US health insurance system. A couple of the articles even compare the US and the German system directly. In my following research paper, I will mention the content of the article "Germany Healthcare System and Health Insurance". It informs about the German healthcare system. In specific it explains the types of health insurance and coverage options for immigrants and expats. The author explains that the German healthcare system is a welfare state system, which means that every citizen, no matter how rich or poor, is insured. It is mandatory to have health insurance, and every citizen pays a

percentage of their gross salary (between 14.6% and 15.5%) towards their insurance.

Employers also pay half of this amount. The state takes over the health insurance costs in case of unemployment. If your income is above €66,000 per year, then you can get private health insurance instead of public insurance.

The Article “Health and Wealth Part 2: The American and German Health German Healthcare Systems Compared”. Written by Megha Tandon. It is about the bad American healthcare system. To improve this system politicians, look at other countries and compare their systems. In this Article, the US healthcare system gets compared with the German system and the comparison outcome says that the German healthcare system is really good but the author says that Germany still has to work on their public health and primary care infrastructure. In comparison, the US has to work a little bit more. They have to work on the whole system which includes accessibility, quality, affordability, and more.

The article “Insights From Health Care in Germany”. Written by Christa Altenstetter. The article reviews the German healthcare history and its progress over time. The author also points out what the US could learn from the German healthcare system.

The article “Ranking 37th — Measuring the Performance of the U.S. Health Care System”. Written by Christopher J.L. Murray and Julio Frenk. It discusses evidence that other countries are doing better than the United States in ensuring the health of their populations. The 2000 World Health Report ranked the U.S. healthcare system 37th in the world, prompting political debate and extensive media coverage. The article highlights the need to compare and quantify the various facets of health systems and invest in policies that promote proven strategies to improve health outcomes. The article argues that achieving universal insurance coverage in the United States is important, but that reducing the gap between the United States and other high-income countries in health outcomes would require much more than expanding insurance coverage. The authors recommend investing in interventions that target preventable

deaths related to smoking, hypertension, obesity, physical inactivity, and other diet-related risk factors. The article also points out that mortality rates from preventable causes in the United States vary widely by region and race or ethnicity.

The article “Comparisons of Health Care Systems in the United States, Germany and Canada”. Written by Goran Ridic, Suzanne Gleason, and Ognjen Ridic. The article compares the healthcare systems of the United States, Germany, and Canada, focusing on financing, provider payment mechanisms, the role of government, and healthcare costs. The authors find that the United States has the highest health care spending, while Canada has the lowest, and that systems, that ration care through government benefits or insurance have lower per capita costs. However, Americans have shorter wait times for care than Canadians or Germans. The article also notes that it is difficult to compare data between countries and that improvements are still needed in all three systems.

The article “Health Care in Germany: The German health care system”. Written and published in Cologne, Germany by the Institute for Quality and Efficiency in Health Care. The article explains the German healthcare system and explains the three main areas outpatient care, inpatient care (the hospital sector), and rehabilitation facilities.

Going into this huge topic I have three lead reasons why the US could take an example from the German healthcare system. The first reason is that Germany is a welfare state (Germany Healthcare System and Health Insurance; Page 3). This means, on the one hand, that Germany is a democratic state. On the other hand, it also means that Germany strives to provide economic security to every citizen as well as to balance social differences in society. But why is this important when it comes to health insurance? In Germany, it matters a lot. It means that every citizen, no matter how rich or poor, they are all insured. “This principle is a firmly held belief that government is obliged to provide a wide range of social benefits to all citizens, including medical care, old age pensions, unemployment insurance, disability payments,

maternity benefits and other forms of social welfare.” (Insights From Health Care in Germany, Christa Altenstetter, Ph.D., Page 2). So that everyone can actually pay the health insurance and it’s affordable for everybody, there is no fixed amount, but a percentage that must be paid to the health insurance. Depending on the insurance, the percentage is between 14.6% and 15.5% of the gross salary. Each citizen pays only half of this amount, so about 7% of his gross salary goes immediately to health insurance. The other 7% is paid by the employer (Health and Wealth Part II: The American and German Healthcare Systems Compared; Megha Tandon; Page 3). In case of unemployment, the state takes over the health insurance costs (Comparisons of Health Care Systems in the United States, Germany, and Canada; Goran Ridic; Page 3). This system is great because everybody is paying depending on how much they actually can pay. Some people might think now that regarding what you pay you receive different services from the insurance but that is not true. Everybody is receiving the same service (Germany Healthcare System and Health Insurance; Page 2). Even people who are unemployed get the same medical services. "Under the mandatory health insurance scheme, a resident is obligated to register his/her non-working dependent to the insurance provider of his/her choice so they can receive the same medical assistance free of charge if needed." (Germany Healthcare System and Health Insurance; Page 8). In Germany, 90% of the population is covered by statutory insurance, and the remaining 10% by private insurance. Someone can be privately insured for two reasons. The first reason is that someone is a freelancer and the second one is that you make more than 66.600 Euros a year. Everybody else is statutorily insured (Germany Healthcare System and Health Insurance; Page 3); (Megha Tandon; Page 3). As a statutory insured person, you can choose one health insurance out of 96. The differences between these insurances are just minimal.

Another reason why the German health insurance system is so good is that it is mandatory (Health care in Germany: The German health care system; Cologne, Germany: Institute for Quality and Efficiency in Health Care (IQWiG); 2006; Page 4). In the U.S., you can choose

whether you want to be insured or not. In Germany, you don't have that choice, you have to be insured. It is a great advantage to introduce compulsory insurance, as this would absurdly save citizens a lot of money. In the U.S., it can be seen that people without insurance often avoid preventive care appointments to save money. However, preventive care appointments are more important than one might think since worse illnesses or damage to the body can often be detected early and thus larger treatments are not necessary and costs can be saved (Germany Healthcare System and Health Insurance; Page 11).

The third major advantage of the German health insurance system is the satisfaction of the majority of the German population with this system and the variety of services (Comparisons of Health Care Systems in the United States, Germany, and Canada; Suzanne Gleason, Goran Ridic; Page 7).

There are some slight differences between insurances but besides that, every German health insurance has to cover these services:

“Preventive services, Inpatient/ outpatient hospital care, Primary and specialist physician services, Mental health, Dental care, Optometry, Physical therapy, and Prescription drugs, except for those explicitly excluded by law (mainly so-called lifestyle drugs like appetite suppressants), Medical aids like hearing aids, Rehabilitation, Hospice and palliative care, Maternity, and sick leave” (Megha Tandon; Page 2).

Besides the fact that there is still a good amount of people that don't have insurance at all in the US, these are the services every insurance must provide in the US: “Ambulatory services, emergency services, Hospitalization, maternity and newborn care, mental health and substance use disorder services, prescription drugs, rehabilitative and services and devices, laboratory services, preventive and wellness services, pediatric services, including dental and vision care.” (Megha Tandon; Page 2)

Comparing these two makes it seem that the differences are not too big. However, the biggest and most serious difference between the health insurance services in the two countries is that in the U.S. you often have to pay large amounts yourself. In Germany, the cost of paying is usually limited to 10 euros or a little more. That also shows that there are no hidden expenses. Health insurance is still not cheap in Germany but the government really tries to make it affordable and you also get really good services no matter your bank balance (Megha Tandon; Page 2)

The cost differences for health insurance and other medical services are really high between the US and Germany. However, the comparison of healthcare system performances showed that the US was falling behind other countries, and despite spending the most on healthcare, it had low life expectancy and high mortality rates compared to other high-income countries (Ranking 37<sup>th</sup>-Measuring the Performance of the U.S. Health Care System).

And if we now talk about the satisfaction of the German citizens and the US citizens we already see clear differences. In the article "Comparisons of Health Care Systems in the United States, Germany, and Canada" by Suzanne Gleason and Goran Ridic (Page 7) we find a statistic where the satisfaction of Canadian, German, and US citizens is listed. Since I only focus on the German and the US system in my research paper, I leave the Canadian citizens out of the statistics. The statistics from the article "Comparisons of Health Care Systems in the United States, Germany, and Canada" show

"that people in the United States are the least satisfied with their current health care system. Only 10 % of the respondents believed that the present healthcare system could be improved with minor changes, and an overwhelming 60% thought the system needs fundamental changes. In addition, 3 out of every 10 respondents in the United States believed the health care system requires a complete restructuring. The surveyors speculated that the dissatisfaction with the present U.S. health care system is due to the

financial insecurity caused by inadequate insurance protection and high out-of-pocket costs” (Suzanne Gleason, Goran Ridic; Page 7).

The statistics also show that 41% of German citizens think that small changes should be made in the German health insurance system. 35% of the German population thinks that fundamental changes need to be made and only 13% think that Germany needs a completely new system. Compared to the American health insurance system, the satisfaction of German citizens looks a lot better. Satisfaction plays a major role when a system is supposed to work, because if citizens are so dissatisfied that they outright reject the health insurance system, the success rate of the system is even lower. Therefore, again, this is a reason for the U.S. to look at how the Germans manage to keep the majority of their population reasonably satisfied with the existing system.

In Conclusion, I argue that the German health insurance system is better than the US health insurance due to several reasons. Firstly, Germany is a welfare state, which means that every citizen, regardless of their financial situation, is insured. This is achieved through a mandatory insurance system where the amount paid is a percentage of the gross salary, which is shared between the employee and the employer. This system ensures that everyone pays what they can afford, and there are no hidden expenses. Secondly, the German system is mandatory, meaning that everyone has to be insured. This encourages people to seek preventive care appointments, which can detect potential health issues early and prevent the need for more expensive treatments later. Thirdly, the German system provides a variety of services that are covered by the insurance, and the majority of the population is satisfied with the system. In contrast, the US system allows people to choose whether or not they want to be insured, and the cost of healthcare services can be prohibitively expensive. Furthermore, the US system provides a limited range of services and has lower levels of satisfaction among its citizens compared to the German system. Therefore, it is suggested that the US healthcare system could benefit from adopting some of the practices of the German healthcare system.

In my research paper, I studied the German health insurance system and also compared the German system with the American system. My thesis was that the German health insurance system is better than the US system and that the US would benefit from adopting elements of the German system. After I investigate the subject, I can now state that my thesis is true.

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