Shaping health together in Europe

Position paper by the National Association of Statutory Health Insurance Funds

Resolved by the Administrative Council on 3 September 2014
All our positions and statements concerning Europe can be found on our website www.gkv-spitzenverband.de/europa.

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1. Foreword by the Chairmen of the Administrative Council

Dear readers,

70 million persons with statutory insurance in Germany can rely on receiving high-quality, economical care should they fall ill or need long-term care, and can participate in medical progress, regardless of their ability to pay. Persons with statutory insurance are also well covered when they are in another European country, and can thus benefit from Europe’s open borders.

German statutory health and long-term care insurance does not need to be shy of an international comparison: With its special structural principles, healthcare that is orientated towards medical need, the principle of benefits in kind, the solidarity principle, funding via contributions and steering via self-government, it is one of the best-functioning healthcare systems in the world.

There is a sensible division of tasks in health policy within the European Union: The Member States are responsible for shaping their healthcare systems. The European Union can support the Member States where they face common challenges. The goal must be to shape the functionality of the healthcare systems and efficient healthcare and long-term care all over Europe in
a way that can meet the challenges of the future.
In a Europe without borders, this is also in the interest of German patients and contributors.

The Administrative Council of the National Association of Statutory Health Insurance Funds has dealt intensively with European health policy, and has adopted the positions which you will find below. The National Association is hence playing an active role in further developing health and long-term care policy in a European context. We hope you find the positions interesting, and look forward to a dialogue with you regarding the future shape of health and long-term care policy in Europe.

Yours sincerely,

[Signature]

Dr. Volker Hansen        Christian Zahn
2. Emphasising strengths

The task and the duty of the European Union is to support the Member States in shaping their healthcare policy and to promote their cooperation in the field of healthcare. It is necessary here to react appropriately to pressing challenges such as medical and technical progress and the ageing of the population. 70 million persons with statutory insurance in the German healthcare system can rely on receiving high-quality, economical care should they fall ill, and can benefit from medical progress regardless of their ability to pay. This makes German statutory health insurance one of the best-functioning healthcare systems in the world.

The high level of performance is contingent on the structural principles underlying statutory health insurance: healthcare that is orientated towards medical need, the principle of benefits in kind, the solidarity principle, funding via contributions and steering via self-government. The German health insurance funds consider these guiding lines to be vital for a patient-orientated healthcare system. They ensure a high level of healthcare and form the basis for necessary, important European coordination and reform processes.

The self-government of statutory health and long-term care insurance with the direct involvement of those concerned by means of members’ and employers’ representatives in the health and long-term care insurance funds and their associations is a well-functioning system which is distinct from state management pure and simple or from a system of purely private-economy allocation. The strengths of self-governed healthcare systems, where members play a responsible role in decision-making processes, are particularly evident in an international comparison: Whilst, on the one hand, healthcare suffers in a state healthcare system from the fact that it is not the players involved who take decisions in the negotiation process, and healthcare is dependent on the state budget, a purely market-economy system, on the other hand, cannot ensure that all members receive the care that they need at an affordable price.

A major prerequisite for the performance of the health insurance funds is a competitive framework that is based on solidarity and is tailored to the particularities of the social insurance law-based healthcare market. This includes the list of benefits set out by the law, the health insurance funds’ statutory public service obligation, as well as their obligation to take up members without carrying out a medical examination. The law on the Single European Market and competition law must also do justice to these special requirements.

The National Association of Statutory Health Insurance Funds will be taking up a strong position in healthcare policy on this basis in the context of European policy. It is also following the aim here of the principles which are important for German statutory health insurance not being impeded by decisions of the European Union.
Members of the statutory health insurance funds are also well insured beyond Germany’s borders. The regulations serving to coordinate the social security systems enable them to gain access to host countries’ healthcare systems when they stay in a state belonging to the European Union or the European Economic Area, as well as in Switzerland. The coordination of the social security systems is a good example of sensible European cooperation in the interest of patients and contributors. In order to ensure that the coordination mechanisms are effective, they must be continually refined. In this context, statutory health insurance sets the stage for overcoming boundaries and supporting members’ mobility.

Advancing the European Health Insurance Card

In case of a temporary stay in another European country, the European Health Insurance Card (EHIC) enables members of statutory health insurance to gain access to all benefits in kind proving to be medically necessary should they fall ill, taking account of the nature of the benefit and of the likely length of stay. The members of statutory health insurance are placed on the same footing when they visit another European country as if they were insured there. The National Association of Statutory Health Insurance Funds considers that this card should be developed further in order to further reinforce its acceptance. The EHIC should be issued to members on a blanket basis Europe-wide so that benefits in kind can be received as seamlessly as possible. Service-providers themselves must also be given greater encouragement to accept the EHIC. Moreover, further identification characteristics such as a photograph could be included in the document, which is currently designed as a visual means of identification. Were the validity of the card to be shown by specific start and end dates, this would make it easier still to attribute the costs of the benefits provided on the basis of the EHIC.

The settlement of the treatment costs incurred abroad with the body with which the person is insured must become more effective. The European Union must defend contributors’ financial interests and include in the regulations further management tools on compliance with deadlines, on settlement and on the enforcement of claims.

Safeguarding patient mobility

In 2011, the Directive on the application of patients’ rights in cross-border healthcare further expanded the options for members over and above the coordination regulations. The Directive provides, firstly, for options when receiving healthcare services within the European Union. Secondly, it provides for patients to have a comprehensive right to information via national contact points. This right is to make it easier to access the healthcare systems EU-wide, and hence promote EU citizens’ patient mobility. The National Association of Statutory Health Insurance Funds, German Liaison Agency Health Insurance – International (DVKA), has been carrying out this task since October 2013. A target-group orientated information platform for patients and healthcare service-providers was created at www.eu-patienten.de, providing information all about cross-border healthcare between Germany and the other EU countries. In order to be able to offer patients a well-founded basis for information for their decisions, and hence to further promote their mobility within the European Union, the National Association of Statutory Health Insurance Funds considers that it must be ensured that appropriate platforms are created quickly and made known in the entire European Union.

The members of statutory health insurance are placed on the same footing when they visit another European country as if they were insured there.
4. Representing patients and contributors

Legislative processes of the European Union, and not only those on healthcare policy topics, influence German healthcare policy and statutory health and long-term care insurance. The National Association of Statutory Health Insurance Funds is observing these initiatives with the aim in mind to focus on benefit for patients and contributors.

**The Medical Devices Regulation**

The European Union is endeavouring to modernise the existing medical devices directives through a new regulation. It is made clear by the scandals concerning “metal-to-metal endoprostheses” and breast implants: There is an urgent need to act in order to sustainably modernise the law on medical devices. In the view of the National Association of Statutory Health Insurance Funds, the proposals of the European Commission do not go far enough. Statutory insurance members should benefit from medical progress, and from advances in medical technology in particular. In the interest of patient safety, high-risk medical devices need to be licensed by a central facility at European level which is independent of economic interests. Sound clinical tests need to be obligatory for all manufacturers, and reliable market monitoring studies must be carried out in order to systematically record side effects. Medical device manufacturers must be obliged to take out liability insurance in order to ensure suitable liability cover should things go wrong.

**The General Data Protection Regulation**

The draft General Data Protection Regulation is intended to do justice to the challenges of global data communications over the internet. The National Association of Statutory Health Insurance Funds fundamentally welcomes the fact that there is to be an overall set of European rules on data protection comprising major requirements for processing personal data. Social and healthcare data are among the most sensitive items of personal information for patients and contributors. In order to carry out the statutory mandate of the health and long-term care insurance funds, the Social Code (Sozialgesetzbuch) regulates what data may be collected and processed. The provisions, which are already coordinated and tailored to members’ interests, must also stand up to the new General Data Protection Regulation in order to maintain the high standards of protection contained in the Social Code. The security of patients’ data must be paramount here.

**The Medicinal Products Transparency Directive**

The European Commission would like to enable medicinal products to enter the market faster in the 28 Member States, and has put forward a proposal to amend the Directive relating to the transparency of measures regulating the prices of medicinal products for human use and their inclusion in the scope of public health insurance systems. The National Association of Statutory Health Insurance Funds welcomes the initiative of the European Union to decide more quickly on the market introduction of innovative medicinal products in all EU States in future, and hence to enable patients to gain faster access. High standards of patient safety must be the priority here.

The National Association of Statutory Health Insurance Funds is endeavouring to ensure that the voluntary contractual agreements of individual pharmaceutical enterprises and health insurance funds (discount contracts) are exempted from the scope of the directive.

**The Insurance Mediation Directive**

The European legislature is negotiating on a legislative package containing a proposal to revise the Directive on insurance mediation. The directive aims to improve consumer protection among private customers when it comes to insurance mediation and to facilitate transparent EU-wide competition in the insurance sector. According to German law, the health insurance funds can mediate additional private insurance policies supplementing the protection provided by statutory health insurance, such as for dental prostheses or extra benefits for hospital stays. The planned new
version of the EU directive should therefore make it clear that the statutory health insurance funds are not included in the mediation of additional private insurance policies by the provisions of the EU directive on insurance mediation. This exception is necessary to enable the health insurance funds to mediate additional private health insurance policies as before without registering as a business enterprise.

**The EU’s value-added tax reform**
The European Union coordinates the value-added tax systems of the individual Member States in order to facilitate a well-functioning Single Market. The European Commission is currently discussing whether and to what degree public facilities can be included in the scope of obligatory value-added tax. The planned reform must not bring about a situation in which the current exemptions from and reductions of value-added tax, which are in the interest of patients and contributors, and the special status of the bodies of statutory social insurance, are abolished. Were they to be included in the obligation to pay value-added tax, additional costs of more than Euro 34 billion would be anticipated for statutory health, long-term care, pensions, accident and unemployment insurance together, related to 2014. This would mean that the total social insurance contribution rate would have to increase by more than three percentage points. These additional burdens would not be balanced out by any improvements in benefits for members. The national organisations of German social insurance are unanimous: The valid value-added tax arrangements for the social security systems at European level must remain unchanged in this regard.

**Free trade agreements**
The European Commission is currently negotiating with a number of partners on free trade agreements. The National Association of Statutory Health Insurance Funds is endeavouring to see to it that the focus is placed on the benefit and the security of patients’ healthcare and long-term care. International agreements should challenge neither the competence of the Member States to shape their own healthcare systems, nor may the structural principles of statutory health insurance based on solidarity be placed in question. It is in the interest of patients and contributors for a good framework to be guaranteed for innovation and quality and for the assured security of supply of medical devices and medicinal products, as well as that they will be sustainably financed by the healthcare systems in the European Union. Social services, healthcare and health insurance services are not merchandise. They must be unambiguously excluded from the scope of trade agreements, permanently and with legal certainty, and it must be conclusively determined to which fields free trade agreements are to apply.

The negotiations should be more transparent, and interest groups should be suitably involved, such as via public consultations with a sound data basis. In order to create clarity regarding the health-policy consequences of the international agreements, the European Commission must present a comprehensive social and health policy impact assessment in good time.
5. Tackling challenges together

The Member States of the European Union face shared challenges in the health sector. Despite the regional and social differences that remain, people are becoming older and older thanks to rising quality of life and improved healthcare. This also means that medical and long-term care professions must change and healthcare structures must be adjusted. The different healthcare systems in Europe can overcome these challenges together by learning from one another and sensibly bundling their capabilities. The Horizon 2020 Research and Innovation Programme and the Health for Growth Programme offer a framework for learning and researching together in Europe. They should however be more transparent and less bureaucratic so that the statutory health insurance funds and other players can participate more easily.

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Improving healthcare

Major endemic diseases such as cancer and dementia affect people in all countries. People have to be able to rely on efforts being united at European level. In order to combat neurodegenerative diseases, and Alzheimer’s in particular, the European Union has set priorities: prevention, early diagnosis, drawing up ethical principles and coordination of research efforts are very high on the agenda. The same applies to cancer, where a focus must be placed on prevention, early diagnosis and registration. An orientation towards comprehensive check-ups, structured treatment programmes and integrated care models can set an example for Europe. In addition to promoting research, the European Union should therefore continue to expand the exchange on procedural innovations and best practices of healthcare management.

Prevention

Prevention and health promotion are central topics in all ageing societies in Europe. There is a variety of approaches towards prevention and health promotion in the Member States of the European Union. In Germany too, the statutory health insurance funds offer extensive benefits for prevention and health promotion. According to requirements determined jointly with the National Association of Statutory Health Insurance Funds, the health insurance funds have in competition developed innovative “setting approaches” and projects which can also set an example in other countries.

Organ donations

European cooperation is indispensable when it comes to organ donations and organ transplantations. The chance that a matching donor’s organ will be available at the right time is much greater if there is cross-border cooperation. Germany faces challenges that are similar to those of its neighbours in this regard: There is much less willingness to donate than there is a need for organs. Against this background, the National Association of Statutory Health Insurance Funds welcomes the action taken by the European Union to improve the quality and safety of donors’ organs, to improve their availability in the European Union and to combat illegal trafficking in organs. The statutory health insurance funds are doing their bit by providing all members with organ donor cards and information on organ donations.
6. Sharpening up competences

The Member States bear particular responsibility for determining their healthcare policy and for funding and organising the healthcare system and medical care. The European Union has clearly-defined tasks. It is to act to ensure a high level of health protection and support and supplement the policies of the Member States. Medicinal products are therefore also licensed at European level, medical devices brought onto the market on the basis of EU law and joint safety and quality standards set. On the other hand, eligibility for reimbursements and benefit evaluations are regulated by the Member States – in Germany for instance by joint self-government. These are good examples of subsidiary action. The principle of subsidiarity takes on a major status both nationally and in the European Union. It is a matter of first of all resolving tasks self-determinedly and independently where they occur. It is only when joint action is needed that the EU level is required to act.

The European Union has gradually increased its aspirations to take part at the crossover between the primary competence of the Member States in healthcare policy and ever greater economic integration. The creation of a Single Market entailing the free movement of individuals, goods and services is one of the most important objectives of the European Union. It also affects the healthcare system: Patients’ rights in cross-border healthcare are an example here, as is the insurance mediation directive, the reform of the value-added tax directive and the mandate to negotiate a free trade agreements with the states outside the European Union.

This interaction is also made clear in the arising need for crisis management policies in the European Union. In order to consolidate the budgets of the crisis-ridden states, deep cuts were made in health budgets. All Member States however need to be able to ensure the viability of their healthcare systems and efficient healthcare and long-term care. In a Europe without borders, this is also in the interest of German patients and contributors. A high level of social protection and a reduction in social and health inequalities in all Member States will set the stage for the long-term economic and political cohesion of the European Union. Over and above this, the Treaties oblige the European Union to observe social and health policy aspects in all policy areas. This also applies to initiatives on Single Market, competition or trade policy, and may not be placed into perspective in view of the major economic and social challenges. In this sense, in the context of a social and health impact assessment, before new laws are proposed, the European Commission should examine their impact on statutory health insurance and healthcare policy. The Commission must carry out this impact assessment and make its results transparent. In the legislative procedure going forward, the European Parliament and the Council should explicitly take account of the social and health consequences in their deliberations and amendment proposals.
7. Shaping learning processes

Joint learning and coordination processes are necessary steering tools in a European Union that is continually growing together. The European Semester and the Open Method of Coordination (OMC) also bring health and long-term care insurance more and more unmistakeably into the focus of the European economic and growth policy.

The European Semester
In the European Semester, the European Commission annually checks the draft budgets and reforms of the Member States with the aim in mind of ensuring national budgetary discipline and competitiveness. Health and long-term care policy aspects are also discussed in the reports and recommendations of the European Union. Germany is recommended to pursue growth-friendly financial policy, and in this vein to improve the cost efficiency of public spending on healthcare and long-term care. At the same time, the healthcare system is perceived as a high-growth sector in which a large number of jobs will be created in the next few years.

Regardless of a general evaluation of EU recommendations, however, it should not be fiscal and growth-related aspects on which healthcare policy focuses, but access to healthcare services, their quality and efficiency, and hence the benefit for patients and contributors.

The Open Method of Coordination
The OMC serves to implement joint European goals in long-term care and healthcare policy. A systematic comparison can help in the view of statutory health insurance to learn from one another and to modernise the healthcare and long-term care systems in Europe. To this end, the OMC must be methodically refined, made more transparent and opened up wider for participation by healthcare policy players. The joint learning and coordination processes must not lower social and health standards, nor must they lead to a healthcare policy standstill.

Regardless of a general evaluation of EU recommendations, however, it should not be fiscal and growth-related aspects on which healthcare policy focuses, but access to healthcare services, their quality and efficiency, and hence the benefit for patients and contributors. German statutory health insurance, which bears responsibility for the shaping of the healthcare system, must be included in the European Semester, for instance in drawing up and implementing the National Reform Programmes. The European Commission is called upon to present a guideline for improved stakeholder involvement, as it announced as long ago as 2010.
The National Association of Statutory Health Insurance Funds represents all 131 statutory health and long-term care insurance funds in Germany, and hence the interests of the 70 million members and contributors, vis-à-vis policy-makers and service-providers. It advises parliaments and ministries within ongoing legislative procedures, and is a voting member of the Federal Joint Committee. It concludes contracts and agreements with the contracting partners at federal level and negotiates guidelines for healthcare and long-term care.

Also at EU level, the National Association of Statutory Health Insurance Funds observes and shapes important processes with statements, by making contributions towards consultation and in international exchanges. The legislature has commissioned the National Association of Statutory Health Insurance Funds to represent the interests of the health insurance funds vis-à-vis supranational and international organisations and institutions. In doing so, it works closely together with the associations of the health and long-term care insurance funds at federal level.

The National Association of Statutory Health Insurance Funds is networked at European level in order to effectively represent the interests of the statutory health insurance:

### Organisation
- **DSVAE**
  - Deutsche Sozialversicherung
  - Arbeitsgemeinschaft Europa, Brussels
- **ESIP**
  - European Social Insurance Platform, Brussels
- **MEDEV**
  - Medicine Evaluation Committee, Brussels

### Members
- National Association of Statutory Health Insurance Funds
- Federal Association of the AOK
- Federal Association of Company Health Insurance Funds
- Federal Association of Guild Health Insurance Funds
- Knappschaft
- Association of Substitute Health Funds
- Social Insurance for Agriculture, Forestry and Horticulture
- German Social Accident Insurance
- German Pension Fund
- 40 national social insurance organisations from all over Europe
- National social health insurance organisations and national institutions responsible for the evaluation of medicinal products

### Tasks
- To influence opinion-formation and legislative processes in the EU
- To promote the exchange of information and experience
- To exchange information and experience on the therapeutic added value and reimbursement systems of medicinal products
Also at EU level, the National Association of Statutory Health Insurance Funds observes and shapes important processes with statements, by making contributions towards consultation and in international exchanges.

The German Liaison Agency Health Insurance – International (DVKA) in the National Association of Statutory Health Insurance Funds supports the health insurance funds and their members in interpreting and implementing supranational and international health insurance law. Via the Agency, health insurance services which have been provided abroad are settled which have been received for instance by tourists, seconded workers or German members living abroad. This also applies to the cost which the German health insurance funds have expended in giving assistance to persons insured abroad in case of treatment in Germany. The total volume of the settlements is roughly Euro 1.2 billion per year.

The DVKA reaches exemption agreements for all fields of social security with foreign agencies for employees who are temporarily employed abroad and who would like to continue to be covered by German social insurance during this period. Moreover, the DVKA carries out the task of the National Contact Point which is provided for in accordance with the Directive on the application of patients’ rights in cross-border healthcare.

The National Association of Statutory Health Insurance Funds thus combines European policy and operational competence in the interest of patients and contributors.