Challenges for Academic Medical Centers in Germany

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• The System
• Financial Base of AMCs
• Structural Questions
• Translational efforts
• Where to go?
German Academic Medical Centers – the System

- Medical schools are public
- Tuition is unknown
- Hospitals are owned by the respective state (except Gießen / Marburg)
- Wide variety of governance models
German Academic Medical Centers (n=35)
Some Facts

- 152,000 total staff
- 36,000 Physicians and Scientists
- 3,700 Full Professors
- 93,000 Medical Students

- Total annual turnover: 19.3 Bill €
- Research and Teaching: 3.4 Bill €
- Extramural funds: 1.6 Bill €
- Hardware invest: 1.2 Bill €
- Patient Care: 12.9 Bill € (10% of total / 15% ICU)

- Academic medical centers are the only place, where academia meets economy in mutual dependence
Education of Medical Students per 100,000 Inhabitants

- Germany: 11.9
- England: 11.3
- Italy: 11.1
- France: 9.0
- USA: 6.9
- Japan: 5.9

Association of German University Hospitals
16 different:

- School systems
- University managements
- Science approaches

Among them:

- Academic Medical Centers
Support depends on the State
Broad variability in organization and funding
The „standard“ German AMC does not exist

AMC Hannover
High end patient care
CMI: 1.80
State support: 169.6 Mio € p.a.
Students: 1985
Buildings: old

AMC Greifswald
Community hospital
CMI: 1.31
State support: 50 Mio € p.a.
Students: 1305
Buildings: completely new
Fiancial Bases / Funding sources (average data for German AHC)

- Health insurance (300 Mio €)
- Government (80 Mio € for R +T plus Hardware)
- Extramural funding Science (40 Mio €)

All three funding sources have undergone major reorganization in the last years.
Funding sources
(average data for German AHC)

Funding sources:
- Health insurance
  300 Mio €

Major changes:
- G- DRG System
G-DRG System

Health System Law Year 2000 Article 4 §17 (1):

„one system of reimbursement for all hospitals in Germany...“
No different reimbursement rules for AHCs

- Diagnosis plus Procedure = DRG = reimbursement
- DRG reimb. = Case value (INEG) x Base value
- Case Mix = Number of cases x case value
- Case Mix Index = Case Mix / Number

Base Value depends on the State: € 2930 to € 3175

- Precise System
- Learning System
- No compensation of specialized training
- No compensation of innovation
Slow Adaptation of G-DRG by Change Rate (CoL) is a major Problem for all German Hospitals
Cost vs Profit Balance of German AMCs during a decade

Only few AMCs predict positive financial results.
Solution: New Modes of Financing

The Dutch Modell

- State
- Grant
- R+T

Overhead
- Delay by teaching
- Innovation
- Board certification
- Special academic
- Health care
Previous:
• Major investments (buildings, equipment) in science and academic health care were funded by joint efforts of federal and state resources.

2006-2014:
• Cooperation between Federal Government and states is restricted to defined research projects.
• Direct institutional federal support is prohibited.

2014 - Present:
• Partial roll back, restricted funding possible again
Affecting AMCs: The debt brake

New law for Federal Government and the individual states (Art. 109 .3 Constitution)

In general all budgets both of the federal government and the states have to be balanced (no new debts).

This rule is mandatory for the federal government from 2016 and for the states from 2020

Conclusion:

There are massive cuts in public spending. This will affect the AMCs. 17 out of 33 AMCs need 100 – 500 Mio € investments.
Financial Bases / Funding sources (average data for German AHC)

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Do we need these AMCs aside from patient care?
Birth rates 1960:
700,000 Male       667,000 Female

Jahrgang 1975:
459,000 Male       440,000 Female
65%                66%

Prevalence Mb. Alzheimer
65 to 69 y       1.6 %
80 to 84 y       15.7%
> 90 y           41 %

3 Mio Alzheimer patients in 2050 out of a total of 70 Mio

There will be an enormous pressure towards translational medicine from the society
It is all about people....

**Important Note:** Beginning in 2023, to be eligible for ECFMG Certification, ECFMG will require that applicants graduate from a medical school that has been appropriately accredited. To satisfy this requirement, medical schools must be accredited by an agency that has been recognized by the World Federation for Medical Education through its *Programme for Recognition of Accrediting Agencies*. ECFMG is in the process of establishing policies and procedures for implementing this requirement and will publish updates, as they become available, on the ECFMG website. International medical students and graduates interested in ECFMG Certification should monitor the ECFMG website for the latest information.

A role for AAHC and AAHCI?
UMG’s participation as a pilot site for the AIM Program

Our objectives:

• AIM will complement our strategy process
• AIM is helping us to strengthen our international alignment
• AIM can be a step towards future ECFMG accreditation

And: The AIM report will provide an impartial, external and international view on the strengths but also on the weaknesses of and threads for the UMG.
Site Visit of 3 Consultants

March 20-22, 2018

Nancy Dickey, MD, Executive director, Rural & Community Health Institute and president emeritus, Texas A&M Health Science Center, former president and vice chancellor for health affairs, Texas A&M Health Science Center (Team lead)

Edward Hillhouse, PhD, BSC, MBBS, Professor of medicine, Cornell University, former faculty dean, University of Leeds, and chief policy advisor on academic health systems, Hamad Medical Corporation

Arthur Rubenstein, MBBCh, Professor, Department of Medicine, Division of Endocrinology at the Raymond and Ruth Perelman School of Medicine, the University of Pennsylvania, former executive vice president of the University of Pennsylvania for the Health System and dean of the School of Medicine
And the report is well taken…

**Strongest Areas of Alignment and Institutional Strength**

- Basic biomedical science is very strong in UMG, particularly in cardiovascular science, oncology, and neuroscience, each of which is linked to a regional center of clinical excellence and has an international reputation.
- UMG’s profile is enhanced by its partnership with the University of Göttingen and with several local Max Planck Institutes, which work with UMG to provide an alliance of collaboration in research and teaching.
- UMG has visionary and resourceful leaders, and what appears to be an excellent governance structure. There seemed to be confidence in, and respect for, the dean and the management board, who appear to practice collaborative leadership commensurate with the best international practice.
- All the leaders that the team met seemed to understand, and be committed to, the concept of integration.

**Greatest Areas of Opportunity**

- As UMG well knows, infrastructure is a major challenge. Across UMG, poor infrastructure is a real constraint to development and, if not addressed, may have significant consequences for research and integration of academic and clinical activities, as well as for quality and safety of patient care.

Will now evaluate and keep on aligning!
Acknowledgement: Players in the German AMC-System

Association of German Medical Faculties

Association of German Academic Hospitals

German Association of Academic Health Centers