

German Health Minister Lauterbach to cut nursing care funding

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After massive attacks on healthcare by German Health Minister Karl Lauterbach (Social Democrat, SPD) and the ruling coalition with the so-called the hospital reform, the government is plotting its next budget-cutting offensive.

In an interview with *Redaktionsnetzwerk Deutschland* at the end of May, Lauterbach spoke of an “acute problem in long-term care insurance.” In recent years, “the number of people in need of care has exploded,” the minister claimed. “Based on demographics an increase of only around 50,000 people was expected in 2023. But the real increase is over 360,000.”

Lauterbach is fudging the numbers to provide a pretext for a rapid “reform”—that is, massive cuts—in long-term care insurance. Taking his statements at face value, one could conclude that the number of people in need of care jumped sevenfold last year. But that is a lie.

In 2017, the qualifications for care were redefined. Since then, people with dementia and similar illnesses have become entitled to care. Even then it was clear that the number of people in need of care would increase by at least 200,000 per year, and not just by the 50,000 that were expected anyway for demographic reasons.

In fact, the number rose by an average of 326,000 per year. In 2023, it increased by 361,000, or 35,000 more than the average of the previous years. With a total of over 5 million people in need of care, this is not an “explosive increase.”

Lauterbach knows that an extensive reform of long-term care insurance can only be implemented in the next legislative period. As a result, few details on the plans are available. However, it is already becoming apparent that, among other things, cost-intensive forms of care in the inpatient sector are to lose financing in

favor of cheaper outpatient care; and, above all, private provision is to be expanded.

A commission of experts is currently working on proposals for the “future-proof financing of social long-term care insurance.” The formation of this commission was spelled out in the ruling parties’ initial coalition agreement.

According to all available information, the onus is on supplementary private provision, or better said: in the future only those who can afford it are to receive adequate care. It is not without reason that the German Association of Private Health Insurers (PKV) cheers such proposals.

Although contributions to statutory long-term care insurance were increased just last year, they are set to rise again from 2025. This will further increase the burden on wage earners. “The long-term care insurance funds assume that the financial resources in the first quarter of 2025 will total less than one month’s expenditure. In this case the federal government may raise the contribution rate by statutory order,” the state of North Rhine-Westphalia’s Association of Substitute Health Insurance Funds (NRW Verband der Ersatzkassen) explained to the *Rheinische Post*.

Irrespective of the government’s plans, the figures show just how tense the situation is for long-term care insurance. The care sector, like the entire healthcare system, has been wrung out for decades and is plunging from one crisis into the next.

Experts expect that over the next 15 years, more than 1 million additional people in need of care will be added to the 5 million already requiring it. Gernot Kiefer, Chairman of the National Association of Statutory Health Insurance Funds (GKV), estimates that 1.5 million to over 2.5 million new people in need of care will be added by 2040. This would increase the

number of those needing care to between 6.8 million and 8 million.

This increase means that the need for nursing staff will likewise rise dramatically. According to conservative estimates, 280,000 to 690,000 additional nursing staff will be needed over the next 25 years. The president of the German Nursing Council, Christine Vogler, expects that there will be a shortage of 500,000 nurses in the next 10 years. Even now there exists a shortfall of 115,000 full-time nurses.

Last year, an average of two care facilities in Germany filed for insolvency every day. By the end of 2023, more than one in three facilities was in the red. Thirty-three care homes, 80 care services and 37 day care facilities had to close in the first quarter of 2024. This was due to financial distress and a lack of nursing staff.

Many nursing staff today work part-time because of extremely high workloads. In addition, the enormous stress of the work causes many to be absent due to illness. A lack of staff and frequent understaffing in care facilities and hospitals can have a negative impact on patient safety, which can lead to nursing complications or even deaths. This was recently demonstrated in the Am Schloss Friedrichsfelde nursing home in Berlin-Lichtenberg. On the night of April 15, a geriatric nurse called the police and fire department out of desperation because there was no staff available for the night shift.

At the same time, the costs for those in need of care and their relatives are exploding. On average, one's personal contribution (copay) is €2,783 per month. In 2017, it was €1,690, an increase of 65 percent.

The copay for inpatient care in Berlin is over €2,500 per month during the first year of care. In contrast, the average pension of a Berlin resident is just €1,500. This means that many elderly people slip into poverty as soon as they need care, at the latest. One-third of nursing home residents are therefore dependent on "care assistance" from the social welfare authorities, which is only distributed when one has exhausted one's personal savings.

In Germany, 17.5 percent of pensioners are considered poor and 660,000 of those over 65 are dependent on statutory old-age benefits. In recent years, high inflation, soaring energy prices and exploding rental costs were primary factors driving poverty.

In order to remedy the massive problems in the health and care sector, considerable investment in wages and improved working conditions for doctors, nurses and other employees in these areas would be necessary. In addition, high-quality care for the growing number of people needing it must be ensured.

As the hospital reform has shown—and the reform of long-term care insurance will confirm this—funding for health will continue to be cut. The governing parties, like all established parties, are instead spending every cent on militarization and war. According to the latest government figures, the current war budget amounts to over €90 billion. In 2022, it was still just €57.8 billion. In the same period, the health budget was slashed from €64.4 billion down to €16.7 billion.



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