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## Statement by the Federal Ministry of Health on the KHVVG without Substantial Changes – What Next?



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Like many other associations, the VKD was surprised by the BMG's current statement on the federal states' proposals for the KHVVG. Despite many reservations, the federal states and hospitals wanted the hospital reform to succeed. In July, they therefore drafted extensive compromise proposals and waited a long time for a response from the Federal Ministry of Health. The Association of Hospital Directors in Germany also supported these proposals in its interpretations. The response came on Wednesday of this week. It documented that Berlin does not really want to address them. "After the 2024 Hospital Summit of the German Hospital Association, the participants from the VKD Presidium were again a little more positive that there could be a dialogue with the Federal Minister of Health, the federal states and hospitals. However, we clearly underestimated the Federal Minister of Health's willingness to reach a real compromise," says VKD President Dirk Köcher.

As a compromise solution, it was proposed to first implement the hospital planning model introduced in North Rhine-Westphalia "purely" nationwide and only then to discuss and introduce further developments, not to implement the reserve financing in the planned form, but to choose other, already proven solutions, and to significantly reduce the bureaucratic burden under which hospitals are increasingly suffering.

Another requirement for the reform to be successful was the legal mandate to ensure adequate financing for hospitals, as they will still not be able to compensate for high deficits from inflation in 2022 and 2023 on their own. The main reason for this is the previous statutory system, whereby the reference value that is relevant for us hospitals is only applied at a third of the difference to the rate of change. Added to this is the conscious decision of the Federal Minister of Health in December 2022 to remove a passage from the Hospital Financing Act that no longer takes the significant decline in patients into account in a rising state base case value.

Inflation compensation would be essential to ensure that the nationwide hospital landscape - and thus also health care as a whole - remains an important infrastructure for citizens and even manages the path to hospital reform in 2027. The continuing increase in the number of bankruptcies clearly shows the effects of this policy. From the perspective of practitioners, this will continue to happen unplanned if the reform law comes into force without the necessary changes.

Even after the BMG's statement, the major problem of deficits would remain, which are not the fault of the hospitals and cannot be generated in the foreseeable future. The adjustments to possible tariff financing or the implementation of the complete reference value for the increase in the state basic case values laid down in the law will lead to better refinancing of costs in the future - but the gap from 2022/2023 will remain. The Federal Minister of Health's reference to the fact that his reform would solve this problem can actually only mean that he is consciously accepting the cold structural changes.

The VKD will continue to accompany the parliamentary process within the scope of its possibilities from a practitioner's point of view and, in conjunction with other responsible associations in the healthcare sector, will try to conduct a critical but nevertheless constructive discourse with the BMG and the members of the Bundestag who will decide on the law on October 18, 2024. After the last state elections, it should have become even clearer to every member of parliament that healthcare is also a valuable asset for citizens. Approval of a law that accelerates the cold and unplanned structural change in hospitals and thus has a direct impact on care, especially in rural areas, will also have an impact on the results of the federal election next year.

**Original Press Release:** This is a translated version of the original German press release. To view the original text, [Click Here](#) (German).

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