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afgazad@gmail.com

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Marianne Arens

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German government funds its war spending by increasing health insurance contributions

Germany's Minister of Health, Karl Lauterbach (Social Democratic Party, SPD), plans to recoup a health insurance deficit of at least €17 billion next year by increasing contributions from ordinary insurers and plundering health insurance reserves. In announcing his plans the minister explicitly referred to the Ukraine war.

Two months ago, the WSWS described the federal budget as a “declaration of war on the people” after the government decided to triple overall military spending and award the German army (Bundeswehr) a “special fund” of €100 billion. We wrote: “The cost of the rearmament will be borne by the working class in every respect.”

This analysis has now been confirmed. Lauterbach is no longer prepared to fill the health insurance deficit via state subsidies as has been done in the past. Instead, he is demanding increased contributions from the large majority of the population who are unable to afford private insurance. In doing so, the health minister directly affirmed the intent of the ruling “traffic light” (SPD, Greens, Free Democratic Party) coalition to comply with the debt brake mechanism (i.e., no new loans) in the 2023 federal budget.



Health Minister Karl Lauterbach (SPD) during a press conference on 14 January 2022 (AP Photo/Michael Sohn)

When Lauterbach appeared before the press on Tuesday, June 28, he repeatedly thanked Finance Minister Christian Lindner (FDP) for “the good cooperation and consensual result.” He reported that the finance minister had taken care “we do not end up with proposals that violate the debt brake, that would necessitate tax increases or would require a supplementary budget ... I expressly share all three objectives of the Federal Finance Minister.’

The anticipated €17 billion health insurance deficit for 2023 is probably an underestimate. Other forecasts assume a sum of €25 billion. The *BILD* newspaper published this figure from the Institute for Health Economics (IfG) in Munich together with its explanation that the estimate of €17 billion “does not yet include the war in Ukraine and its consequences.” Additional deficits amounting to billions of euros are also expected for unemployment insurance and care for the elderly insurance.

In order to plug the financial hole in the health insurance funds, contribution increases from blue- and white-collar workers are expected to raise €5 billion. In addition, insurance reserves will also be plundered. Lauterbach explained that the various health insurance companies and their joint health fund have a combined €6.4 billion in reserve that could be used to help cover the deficit. “We are in the middle of the Ukraine war,” the minister stressed. “All the reserves in the funds must be called upon.”

Up until now the deficit has been absorbed by federal subsidies, which amounted most recently to €14 billion—but “this would not apply next year!” the minister said. According to Lauterbach, there will be a tax subsidy of just €2 billion and a federal loan of €1 billion. The minister plans to raise another €3 billion from “efficiency improvements,” without giving any further information.

According to Lauterbach: “It will be a difficult autumn. Pandemic-related. We will have to fight the Ukraine war. We will have difficulties providing the tax-based funding we need in other areas.” In response to a journalist’s question as to whether the increase in contributions was the end of the story or whether there would be more cuts, Lauterbach replied: “A lot will depend on how the Ukraine war continues.”

The increased contribution rates will raise health insurance contributions to a record high. Public insurance companies have about 57 million members and insure 73 million people: blue- and white-collar workers, family members, pensioners and the unemployed. The planned additional contribution is currently 1.3 percent but will be increased by 0.3 percent to 1.6 percent. As the name suggests, the new increase is levied in addition to the general health insurance contribution, which stands at a maximum of 14.6 percent.

At 16.2 percent in future, this amount will be higher than ever before. It is true that the respective employer contributes to the insurance on a pro-rata basis. Nevertheless, depending on the tax bracket, total tax and insurance contributions can now amount to 40 percent of gross wages. This means that from a gross wage of €2,000 net, a sum of just €1,200 is left to live on.

On Tuesday, Lauterbach announced he would levy a one-time “solidarity levy” on the pharmaceutical industry, “which has earned a great deal in the pandemic,” and thereby raise another billion euros. The minister also claimed there would be “no cuts in benefits in health care” but his attempts to create an appearance of social equity are risible and completely implausible.

In reality, the country has long since been plagued by a major nursing emergency. In Germany, along with the rest of the world, nurses and other health workers are struggling with overbearing workloads, exhausting working conditions, the threat of coronavirus infection, and a drop in living standards due to inflation. An indefinite strike at university

hospitals in North Rhine-Westphalia has been going on for more than two months. In this situation, the ministerial promise that services will not worsen amounts to a slap in the face of all nursing staff.

Less than a week earlier, on June 22, Lauterbach promised health care workers protesting at the Health Ministers Conference that a new Care Relief Act would come “before the summer break.” The law will “put an end to financial shortages in hospitals” through minimum requirements in departments, declared Petra Grimm-Benne (also SPD), health minister in the state of Saxony-Anhalt and the chair of the conference of health ministers. Sylvia Bühler, a member of the Verdi service trade union executive, praised “a big step forward.”

The opposite is the case. Lauterbach is simply acting according to the motto: “Who cares about what I said yesterday.” As the WSWS noted when he took office, Lauterbach “always gives the profit interests of capital the benefit of the doubt over his scientific findings” and/or his hypocritical social commitment.

On the coronavirus issue, it is significant that the first decision of the government when Lauterbach joined was to abolish the “national epidemic emergency.” Lauterbach voted in favour of this decision, which decreed the end of pandemic-related lockdowns and led to a mass resurgence of infections.

During the period in power of the last SPD-Green government and afterwards, Lauterbach played a key role in the dismantling of social systems and the privatisation of hospitals. He was involved in the development of the fee-per-case system, which nurses oppose so vehemently today. For 12 years he sat on the supervisory board of Rhön-Klinikum AG, which made the headlines due to its abysmal treatment of nursing staff. When the Bertelsmann Foundation called for mass hospital closures, Lauterbach tweeted in June 2019: “Everyone knows we should close at least every third, in fact every second clinic, in Germany.”

Just a few days ago, Lauterbach ordered the existing system of free coronavirus tests be abolished—while at the same time admitting to journalist Eckart von Hirschhausen that Long COVID causes organic damage and is equivalent to an “untreated widespread disease.”

With his announcement that the government will no longer pay the deficit of the health insurance funds due to the Ukraine war, the health minister has confirmed the necessity on the part of health workers struggling for decent working conditions to withdraw Verdi's negotiating mandate and join forces internationally in independent action committees.

Verdi, like all other unions, is fully on the side of the government. Its officials are members of the ruling parties and support government policy, which basically gives priority to profits over health. That is why conditions in nursing were unbearable even before the pandemic. And as the Action Committee for Nursing writes in its call for the strike in NRW, "The private and public hospital operators are also benefiting from this intolerable situation! Every understaffed shift, every mental and physical breakdown of colleagues due to overwork and every under-resourced patient helps their coffers grow!"

The Action Committee demands a multibillion investment programme and the restructuring of hospitals to correspond to the needs of workers and patients. This will require nurses to extend their struggle, reach out to the working class and lead strikes together across sectors and national borders.

The *World Socialist Web Site* supports the building of action committees in every clinic and workplace! Contact the Nursing Action Committee via WhatsApp number: +49 1520 3521345 and get involved in building the International Workers Alliance of Action Committees (IWA-RFC)!

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