Nationwide hospital protests against planned cuts in Germany

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Last week, staff at over 50 hospitals across Germany protested against cuts in the healthcare and nursing sectors planned by the government. The new cuts planned under Germany's "Contribution Rate Stabilisation Act"—a law aimed at limiting rises in health insurance costs—are expected to significantly worsen pay and working conditions for healthcare staff and could force more hospitals to close.

The protests were initiated by the Verdi trade union and supported by the German Hospital Federation (DKG), the umbrella organization representing hospital operators in Germany. At Sana Hospital in Berlin-Lichtenberg, a protest titled "Red Cards for [Health Minister] Ms. Warken" was held, in which Left Party leader Ines Schwerdtner participated. Yasmin Fahimi, chair of the German Trade Union Confederation (DGB), appeared at Berlin Charité hospital. Protests were also held in Brandenburg, Bremen, North Rhine-Westphalia and Baden-Württemberg. A major rally is planned for June 10 on the occasion of the Conference of State Health Ministers in Hanover.

The fact that Verdi feels compelled to organise protests against the cuts makes clear how great the anger and opposition among health workers is. Over recent decades, Verdi has supported all the cuts and attacks on hospital staff. Strikes, some of which lasted for months, such as at Charité, were ultimately sold out and staff received—if anything—merely cosmetic improvements.

The union's verbal criticism of the cuts serves to suppress health workers' anger. In fact, all the trade unions stand behind the policies of the government, which wants to push through brutal cuts in all areas of social spending in order to pour billions into rearmament and war and further line the pockets of the super-rich.

Health Minister Warken's planned "reforms" must be seen against this background. "Without reform, a one-sided burden on the insured and companies would continue to be unavoidable," she declared.

The governing Christian Democrats (CDU/CSU) and Social Democrats (SPD) are not really concerned with the steadily rising costs paid by those in the public health insurance system and are only partly concerned with preventing higher costs for businesses. Rather, planned nationwide hospital closures are to be accelerated and, at the same time, care for the broad mass of the population is to be further restricted.

The Contribution Rate Stabilisation Act includes several measures that would reduce or remove funding for hospitals. One key change is the removal of the so-called "most-favoured" rule, which currently affects how much hospital payments can increase.

Until now, hospitals could use whichever figure was higher during budget talks: their actual rising costs or general wage growth. Under the new law, payment increases would be tied only to basic wage rates, meaning hospitals would no longer be fully compensated when their real costs rise faster.

At the same time, funding for nursing care is being cut sharply. Hospitals currently receive full reimbursement for wage increases agreed in collective bargaining, but under the new plan would receive only half. Other additional staffing costs in nursing would no longer be reimbursed.

Another planned change is that some operations will be covered by public health insurance only if a second medical opinion is obtained first.

Medical organisations oppose this proposal. Klaus Reinhardt, president of the German Medical Association, said there is not enough evidence that making second opinions mandatory would improve treatment or reduce costs. He added that it would create a major extra burden for doctors, who might have to prepare several hundred thousand additional reports each year.

But the government sees "considerable potential for savings," which are to be achieved by delaying treatments and unsettling patients. This is moreover intended to lay the foundation for considering treatments exclusively from an economic standpoint, and, for example, no longer financing knee operations for older people.

In total, the reforms will cut €5.1 billion from hospitals in 2027. These planned savings are to be imposed on the backs of staff and patients.

Even the modest measures introduced during the peak of the corona virus pandemic to give the appearance of hospital staff and those working in other healthcare facilities being compensated for their sacrifices are falling victim to the red pen.

For example, nursing staff costs were paid from a separate nursing budget rather than through the general payment system based on treatment cases. After 2020, this helped hospitals hire more nurses and led to nursing labour costs rising by 11 percent per year.

Through the poorer refinancing of collectively agreed wage increases, hospitals are now to be forced to cut jobs in nursing and other occupational groups, under conditions where hundreds of thousands of nurses are still lacking and doctors, nursing staff and other occupational groups are sometimes working to the point of exhaustion. The German Hospital Federation warns that the lack of full refinancing of wage increases will lead to cuts in salaries.

How extreme the effects of the cuts will be is underlined in the "Hospital Rating Report 2026" by the Institute for Health Care Business (HCB). The authors, Boris Augurzky and Henrik Bergschneider, have themselves been advocating the economic streamlining of hospitals for many years. Augurzky expects that the effects on hospitals will be "severe" in 2027. In total, hospitals must expect revenue losses of up to four billion euros, which could grow to seven billion by the end of the decade.

The proportion of hospitals facing an annual loss could rise from 29 percent this year to around 67 percent in 2027. By 2030, around 80 percent would be affected. Since hospitals are already closing in droves, it is evident that a large proportion of those still existing today will inevitably have to close.

The reduction in personnel costs, which would have to be realised through wage cuts and dismissals, would also be enormous. Since hospitals today employ 20 percent more staff per case than in 2019, there is—according to the study—wide scope to reduce personnel costs. According to the study's calculations, a reduction to only 12 percent more staff per case than in 2019 could largely offset the revenue losses caused by the Contribution Rate Stabilisation Act.

A staff reduction of around 10 percent would be necessary for this, according to the authors' assessment. If this staff reduction does not succeed, the only remaining option is closure. The study notes that "36 percent of locations would have to be abandoned" in order to bring the hospital market as a whole back to an average annual result of plus 1.0 percent.

DKG boss Gerald Gaß warns of a nationwide economic emergency facing hospitals, with half slipping into an existential risk of insolvency. "It's a kind of endgame for hospitals," he says. In the long term, even surviving hospitals would be forced to concentrate exclusively on their immediate core business—investments in resilience and securing the future would fall by the wayside, according to Gaß.

Chancellor Friedrich Merz, who previously insisted Germany could "no longer afford the welfare state," praised the savings proposals as a "historic reform." Working together with the SPD, Merz has initiated far-reaching cuts to health, pensions and social security. These are completely in line with the recent report of the Council of Economic Experts, which is demanding even harsher cuts in healthcare as well as other areas.

The fight to protect healthcare and decent working conditions for staff cannot be left to Verdi and its symbolic protests. The building of rank-and-file action committees independent of the trade union bureaucracy is necessary. The attacks on healthcare are not an isolated phenomenon, but part of an offensive by the government, which is pumping billions into rearmament and systematically dismantling the social systems.