

Reform of elderly care: German government exacerbates the crisis

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On September 30, the German cabinet approved its plan for long-term care for the elderly. For those in need of care and everyone who cares for them, costs are rising and conditions are deteriorating. This means the worker's share of healthcare contributions will inevitably increase as a result of this latest "reform."

The draft bill "Long-Term Care Reorganization Act, PNOG" by Health Minister Carsten Linnemann (Christian Democratic Union)—which the Social Democratic Party also approved in the cabinet last Wednesday—is set to take effect on January 1, 2027. Its main purpose is to save up to €8 billion. Thus, the reform is part of a policy that shifts the full burden of Germany's massively increased war budget onto the working population, without touching the super-rich.

The draft bill, spanning 249 pages, expounds on empty phrases such as "prevention and rehabilitation," "strengthening home care" and "reducing bureaucracy" in order to sell social cuts as progress. What is telling, however, is what is missing from all 249 pages: There is nothing about more nursing staff, better working conditions or reductions in costs for those needing care and workers already paying inflated premium costs.

Yet costs for care already exceed the financial means of millions of workers. In particular, the out-of-pocket costs for a stay in a nursing home have risen exorbitantly in recent months and average around €3,500 per month nationwide. For the vast majority, this is simply unaffordable.

The government is ensuring that most people in need of care can no longer afford a nursing home at all. It is systematically shifting the burden of care in costly inpatient facilities onto those in need of care themselves, onto their relatives who provide unpaid care and onto care workers, whose wages and working conditions continue to deteriorate. Currently, around 5 million people in Germany—about 85 percent of those in need of care—are

cared for at home.

A central concept of the draft bill is: "Strengthening home care and supporting family caregivers and relatives." To this end, the bill provides for "care support services" as counseling centers for those affected and their families. These are intended to "relieve the burden" on family members and "prevent them from becoming overwhelmed"—pure window dressing. While the proposed counseling—which costs the state almost nothing—is being introduced, the few opportunities to obtain paid and professional help are being further restricted.

For example, there will be no funding at all in the future for Care Level 1 (previously a €131 relief benefit). This amount, which was not paid out in cash, could previously be used to receive assistance with caregiving or household tasks, or as accompaniment to doctor's appointments, etc. All of this is set to be eliminated for those in need of care at Level 1 in order to save €800 million.

The care levels are also being "reorganized"—that is, consolidated and subject to stricter criteria. The classification system awards points according to various living conditions (so-called modules). However, while the first care level was previously attainable with 12.5 points, 15 points will be required in the future—and similarly for levels 2 and 3 (levels 4 and 5 remain unchanged).

The Medical Service of the long-term care insurance funds determines the classification, which has so far been based on a personal assessment. Here, too, massive cuts are planned: savings of €1.3 billion are to be achieved through cuts to the "assessment system." This can only mean that fewer people in need of care will be recognized in the future.

Long-term care insurance was redefined at the end of 2015 to better accommodate people with dementia. The government now regrets this. In its draft, it states: "It must be acknowledged today that the actual growth in the

number of people in need of care since the introduction of the definition of care needs has far exceeded the projected figures.” And: “Long-term care insurance is seeing ... an unchecked increase in the number of beneficiaries.” The number of people in need of care has simply doubled.

The government is not responding to this by doubling long-term care spending—on the contrary. It is calling for “adjustments to the assessment tool with the aim of slowing the rise in the number of people requiring long-term care.” In other words, many patients are simply no longer being recognized; they fall through the cracks and are left to fend for themselves. This will hit working-class families particularly hard—and especially those in need of care who live alone—and many will die prematurely.

Nurses and caregivers are also affected, both in nursing homes and in home care. According to the German Nursing Council, there is already a shortage of around 200,000 skilled workers, and the trend is rising. Two-thirds of nursing homes are operating at capacity. Nevertheless, the government wants to cap the refinancing of wage increases, which will further worsen working conditions.

As for contributions to the long-term care insurance fund, they primarily affect those in marginal employment. In the future, these people will have to contribute toward health and long-term care insurance premiums. Additionally, many spouses and domestic partners will no longer be covered free of charge; they will be required to pay a surcharge of just over half a percent.

The contribution assessment ceiling—which determines the maximum income level up to which social insurance contributions are paid—will be raised by only €300 a month and will stand at €6,375 in the future. Anyone with income above that amount will therefore be exempt from receiving contributions.

For the vast majority of workers, long-term care insurance contributions—which are added to tax payments and health insurance premiums—are already very high, at 3.6 percent. What’s new is that mandatory contributions for childless workers are set to rise to 4.5 percent in the future. Furthermore, unlike the other contributions, half of the “childless surcharge” will not be borne by the employer but will be paid in full by the employees themselves.

All of this is presented as “necessary” to plug the gaps in long-term care insurance. “The system is under massive financial pressure,” Health Minister Linnemann repeats like a mantra.

In reality, there is no shortage of money. The

government is willing to spend vast sums on its war policy: Military spending will more than double in five years, from €82 billion in 2025 to nearly €180 billion in 2030. Up to €1 trillion will be allocated for rearmament and the “upgrading” of infrastructure.

At the same time, the government refuses to tap into the resources of shareholders, the rich and the super-rich. The 5,000 super-rich individuals in Germany alone—those who possess €100 million or more—could have covered the total cost of long-term care (€73.8 billion) six or seven times over last year with the growth in their wealth—estimated at €460–520 billion.

The long-term care reform is part of the comprehensive “reform package” through which the Merz government is shifting the costs of military buildup and war onto the working class. On September 26, 175,000 workers in Germany protested against the program. In the end, the SPD quickly signed off on the reform, thereby giving the green light to a full-scale assault on all the social and democratic rights of the working class.

This confirms that it is futile to leave the struggle against these draconian cuts to the leaderships of the German Trade Union Federation (DGB), or the unions Verdi and IG Metall. The union bureaucrats, most of whom are SPD members themselves, stand as junior partners on the side of the government and the capitalists. They are masters at dividing their members, keeping them occupied with token protests, and leading them into a trap.

What is needed is the formation of independent action committees in care facilities and in all workplaces, linked together internationally. Only the united working class—both in Germany and throughout the world—can wrest care from the logic of profit. It will expropriate the private care corporations and financial institutions without compensation and reorganize the care of those in need based on human need, not profit. Care is neither a commodity nor a private family matter—it is a fundamental social right.



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