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It is fascinating to compare private healthcare in Germany and Britain. And it is not hard to see why folk on Harley Street in London admit that they have lost a lot of international business to Munich and other big German centres.

I recently talked, off the record, to several managers building private healthcare specialist businesses in both cities. The German system gives Munich a huge advantage. Every year the German private hospital can tender for a certain number of Krankenkasse beds to treat your average Joe who has the basic, state stipulated insurance package. This gives the German operator the stability of knowing that it will have 80% or 90% bed occupancy that year. This gives them a guaranteed volume allowing investment, scale and focus on expertise.

Compare that to Harley Street, which is almost locked out of the huge NHS funded market. A Harley Street clinic simply can't get the same access to the mass market and the volume and financial stability it confers.

With a guaranteed base, the Munich hospitals are free to actively target the icing on the cake - wealthier Germans who have private health, or, better still, rich Russians and Saudi Arabians.

Again, even in the home market, the German system confers benefits for the operators. Firstly, Germans with private health insurance policies have paid for a comprehensive service. Yes, they may have to pay for some extras - but not many. In contrast the British operators we talked to said that most private patients would find that they had to pay out of pocket at some stage. They also complain that the rates paid by the insurers have not risen since the mid-1990s. That leaves the operator having to swallow a lot of extra costs. They claim that it also affects treatment options.

Marketing to the private domestic market in Germany also seems much more sophisticated. This reflects the fact that private patients in Germany are free to choose where they will have an operation. There are fewer gatekeepers and so quite a bit of the business comes from the hospitals' outbound marketing programme.

By contrast, Harley Street tends to rely on referrals from GPs or other specialists. So you will struggle to find the sort of aggressive outbound seminar programmes that Germans have perfected. As one manager told me: "We go to a hotel, our specialist speaks directly to potential patients and shows them the difference between, say, different hip joints. He will have a titanium joint there, that they can touch and examine, and he will explain the operation in great detail."

So, by the time we get to the really lucrative market - the Arabs and Russians who once turned to Harley Street as a matter of course - the Germans have a huge advantage. Thanks to the krankenkasse they have a stable patient base enabling long-term investment. And, thanks to the competition for private patients that they face in the domestic market, they have the marketing skills.

The UK managers I spoke to had heard that there was a conference and exhibition circuit in Saudi Arabia. The Germans had attended for the last 2-3 years.

And the success of the German business model explains why so many municipal hospitals have been privatised in the last few years. Most Germans say that we have only seen the tip of the iceberg here. The forecast is that a third of German publicly owned hospitals lack the financial resources to survive the next few years. That should enable private healthcare to really balloon.

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3 Comments Posted [Leave a comment](#) Uwe Klein (GrÃ¶nfelfing) Hi, I am in the middle of the medical travel industry and in Munich. Waht you write about Saudi Arabian patients is a dream which evaporated in 2008. In this yiear th embassy in Berlin decided not to send patients in large numbers any more to Munich due to the price race induced by the paractices of certain facilitator. Ths shows clearly that this market cannot survive with somem external supervision and efforts to bring transparency into it.

This is only one of the simple reasons why I brought up and will bring in 2010 again the largest European Congress on Medical Travel. emtc2010.com in Italy.

The truth needs a platform. Dr. Uwe Klein michael westen (new york) Great post!

Usually we use [dog training leashes](#) for training our dogs to walk besides us but the best way to make them at ease on a leash is to make them comfortable with it. mike hunter (LA) Much was spoken about this issue and from the piece of news i listened to found by [mp3 search](#) I can conclude that France, Britain and Germany followed the principle of absolute access to healthcare for every resident in the country. The US healthcare system defeated the purpose of healthcare! The much- debated single- payer healthcare system in the US has received both acclaim and criticism from the different voting groups in America. The single- payer healthcare system is a system by which the government through taxes, employee contribution, and the insured personâ€™s funds, pays for the healthcare of every resident in the country.

The healthcare systems of Great Britain, France and Germany set examples of a progressive healthcare system in their own way.

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