

Healthcare for Germans in the USA

Updates & Findings

The following questions are often raised by many Germans (and German-Americans) who live in the USA: What kind of health insurance is best for living abroad? Should I choose a temporary health insurance or would it be better to go for an American health insurance? What happens when I change my job? What happens if I want to return to Germany? And what if I want to live in the US and in Germany in turns?

We all take these issues very seriously. Some choose to have very affordable insurance through ADAC (a German car insurance that also offers basic health insurance). This might make sense if one stays abroad for a very short period of time (approx. up to 90 days). Others choose a temporary health insurance: The advantage is that it is usually not expensive and covers the necessary costs during this period of time. The disadvantage is that the insurance provider is not obliged to renew the contract if one chooses to stay longer. Usually the insurer does not renew the policy in a case where costs are expected to rise.

There are approximately 40 German private Health Insurance companies; among these are only few that offer worldwide coverage without any temporary restriction for the rest of one's life. One of these companies demands a 40% surcharge if one lives outside of Europe for more than 5 years. Sometimes people do not pay this surcharge, but this is only possible if they make the insur-

ance company believe that their primary residency is still in Germany. This is not only illegal but also very dangerous because in the case of an accident or high hospital costs, the insurance finds out that all the bills originate from abroad. This would be a reason for the insurance to terminate the contract, even during treatments.

Acknowledging the German Order of Medical Fees

Most American doctors and hospitals have fees that are much higher than those quoted in the German "Gebührenordnung" (Average Fees). It is very important to find insurance companies whose plans allow fees well above the German average.

Often, people are quite satisfied with their insurance even if it does not go beyond the German average fees. This is usually the case for those who are relatively healthy, i.e. they do not have to go to specialists or more expensive hospitals.

Effects of the German Health Reform in 2007

There is good news for those Germans who want to return to Germany: There is a possibility to return to the German Public Health Insurance for everyone.

What's new: There is a compulsory coverage. The obligation starts at April, 1st 2007 for the Public Health Insurance. The Obligation for the Private Health Insurance starts in January, 1st 2009.

The people who were insured in the Public Health Insurance before immigrating to the US are eligible for this system



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Look for Part Two of this article in one the next newsletters: **International Group Insurance Plans for companies in the USA and worldwide.**

again. Every Public Health Insurance Company must accept them.

There is a new financial system for the Public Health Insurance. It is a creation of a central health fund, which is paid by employers, employees and tax revenues. The government plans to establish a new central fund that will be used to dole out money to the country's 250 state-backed insurers, but it will start out with only 1.5 billion Euro from the federal budget in the first year of the reform. Although tax revenues will begin to play a roll starting 2009, they will primarily be used to cover healthcare costs for children. That will double in 2009, but even then there will still be a huge gap with the 16 billion Euro that children's healthcare is estimated to cost. Any efforts to deal with that prickly matter have been pushed back to the next legislative period. But if the state-backed insurers are not able to maintain their duties with the fees, they are able to get an additional amount from their community of policy holders.

Those people who were insured in the Private Health Insurance System before leaving Germany must be accepted by the Company. But this obligation is only for a new special tariff ("Basistarif"). The companies are not allowed to distinguish between age, sex and health problems. The share

for this tariff is bounded to an average share of the Public system (At the moment 530.00 Euro per month). If people want to switch their policy to another company they have the right to take their pension reserves with them (this agreement is only for new contracts). For people who are in a bad financial situation there are special agreements for financial aid. If they are insured in a long term Health Insurance coverage they can change their tariff to the new tariff ("Basistarif"), but there is a time limit from January, 1st to June, 30th 2009.

Disadvantages

But the new tariff ("Basistarif") has a lot of disadvantages. Only the basics are insured in this tariff (on the same level as in the Public Health Insurance System). To get the same level like the long term Health Insurance ("Krankheitskostenvollversicherung") it is necessary to make an additional contract with the company to reach the same level of benefits you had before. The company has no obligation to insure people with this tariff. There is a difference to the medical fees. In the new tariff ("Basistarif") there won't be a plan to accept higher fees.

These agreements are for all people who have their center of vital interests in Germany (this includes also that they must be able to organize the means of subsistence by themselves). ■