

TITLE:**Service-Related Groups in Federal Hospital Planning – Opportunities and Challenges****Introduction**

Service-related groups are a central element of Germany's hospital reforms, aiming to improve healthcare quality, optimize resource allocation, and foster specialization. Defined largely by procedure coding (OPS), the German service groups aim to enable federal states to align hospital services with quality and structural requirements.

The reforms also target broader objectives, such as transitioning to a remuneration system with a substantial share of provision-based funding covering over 50% of hospital cost and creating future-proof structures. These include reducing inefficient facilities, strengthening mid-sized and municipal hospitals, improving working conditions for healthcare staff, and advancing digital solutions such as electronic patient records (ePA) and telemedicine.

Despite these ambitions, significant challenges persist, particularly for smaller hospitals in rural areas, which face difficulties in meeting quality criteria, ensuring financial stability, and adapting to new digital and operational demands.

Methods

- **Regulatory Framework Analysis:** Examination of regulations, to assess quality-oriented remuneration and structural mandates.
- **Regional Needs Assessment:** Geographic analyses to identify disparities in hospital accessibility, service coverage, and regional healthcare demands.
- **Stakeholder Perspective:** Evaluation from hospital administrators' point of view regarding strategic adaptations to meet reform goals.

Results

- **Centralization and Regionalization:** The reforms will concentrate specialized services in larger hospitals, improving efficiency and quality but reducing access to care in rural regions.
- **Challenges for Smaller Hospitals:** Rural facilities might face resource shortages, difficulties meeting staffing mandates, and financial strain. The transition to a differentiated remuneration model, combined with the introduction of provision-based funding, adds complexity, particularly for hospitals unable to meet strict quality standards.

- Personnel Planning: Improved wages and work models aim to address staff shortages, but implementation will be inconsistent, with rural hospitals particularly impacted by workforce challenges.

Discussion/conclusions

The hospital reforms will make progress in fostering specialization, optimizing resources, and potentially improving care quality. However, challenges remain in achieving regional equity, particularly in rural areas, where smaller hospitals will struggle to meet quality and financial requirements. Centralization will improve efficiency while widening disparities in access, leaving underserved regions at risk of declining healthcare availability.

To address these challenges, strategic planning is essential. Future solutions must include providing targeted support for smaller hospitals, enhancing technology, and allowing greater flexibility in quality criteria for rural facilities. Workforce shortages must be addressed through sustainable recruitment and retention strategies, ensuring improved working conditions and competitive pay.

While significant challenges remain, the reforms can provide a foundation for long-term improvements in Germany's healthcare system. Their success depends on balancing efficiency with equity, ensuring that all regions benefit from high-quality, accessible care.