McKinsey & Company

eHealth Monitor 2020

About this report

The **eHealth Monitor 2020** fires the starter pistol on what will be an annual review of the progress of digitization in German healthcare. Pulling together almost 30 indicators, the eHealth Monitor illustrates where German healthcare currently stands in terms of technical infrastructure and digital maturity (section A), digital supply and demand (section B), how intensively consumers are already using ehealth applications (section C), and what benefits ehealth delivers as reflected in the academic research (section D). Part two of the report tackles this year‘s focus area: telemedicine.

The indicators of the eHealth Monitor cover the full spectrum of stakeholders in Germany‘s healthcare system: hospitals, ambulatory practices, telemedicine providers, pharmacies, health insurers, and of course patients and insured citizens. The eHealth Monitor is partly derived from publicly accessible sources provided by professional associations (e.g., KBV PraxisBarometer) and scientists (e.g., PubMed), while also incorporating commercially available analyses (e.g., HIMSS Trend Barometer, EPatient Analytics, Priori Data, AppTweak) and McKinsey‘s own research. All of the surveys integrated into the eHealth Monitor were carried out online. This report primarily contains data for the period through the end of August 2020, though several indicators relate to 2018 or 2019.

Where Germany stands in 2020: Germany‘s healthcare system has made a lot of progress in the past 2 years to drive forward the legislative framework for healthcare digitization – especially in the areas of electronic patient record (ePA), telemedicine and e-prescription. And that work was urgently needed considering the assessment in 2018 by the Bertelsmann Foundation‘s Digital Health Index ranking of 17 countries placed Germany second to last. In the meantime, Germany has also played a pioneering role in ehealth: When it comes to ehealth applications („apps on prescription“, DiGAs): In this area, Germany is the world‘s first country to establish a combined regulatory and reimbursement process for ehealth applications.

Part 1 – Main insights from the eHealth Monitor

A. Technical infrastructure and digital maturity

Although more than eight in ten doctors are already linked to the telematics infrastructure, healthcare facilities still mainly share medical data in analog form. 93% of doctors still communicate with hospitals on paper, and not even half (44%) of all healthcare facilities (hospitals, out-

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patient doctors‘ practices, medical care hubs/MVZ) use tools such as electronic health records. This was substantiated by both the HIMSS (Trend Barometer) and the KBV (PraxisBarometer) surveys in 2019.

B. Digital supply and demand

Despite this limited digital interaction, there is no shortage of digital systems, tools, and services that healthcare facilities provide to their patients and use within their own organizations. Health insurers already have a comparatively broad range of digital services – from the online promotion of health and wellbeing, through online portals, to medical information available via video chat. By contrast, digital offerings of ambulatory practices have been relatively limited. For example, just 15% of practices that took part in the KBV PraxisBarometer reported making online appointment booking or prescription ordering available via their website – in 2019, 59% of practices were offering no digital services at all.

Many ambulatory physicians and pharmacists are still skeptical when it comes to the benefits of digital solutions. Surveys suggest that 43% of doctors in the outpatient setting expect doctor-patient relationships to deteriorate as digitization progresses, while only 14% expect them to improve. Almost half of all pharmacists worry about losing customers once e-prescriptions are widely available.

On the other hand, the COVID-19 pandemic boosted telemedicine services: In spring 2020, 52% of all ambulatory doctors were already offering video consultations. That figure was barely 2% at the end of 2017, as confirmed by a study of 2,000 doctors conducted by Stiftung Gesundheit and the health innovation hub.

C. Acceptance and use of ehealth solutions by patients

Citizens and patients take an open-minded approach to the digital opportunities available in Germany‘s healthcare system. 33% have scheduled a doctor‘s visit online, and two in three Germans welcome the introduction of electronic health records and e-prescriptions – including over 60% in the generation 65+. COVID-19 has further increased German willingness to use digital healthcare services. A McKinsey survey in August 2020 revealed that more than two-thirds of respondents are more open to these services now than before the crisis.

The launch of apps on prescription – and with it the remuneration of ehealth applications (DiGA) – will most likely further stimulate patient demand for ehealth tools. In 2018, the Bertelsmann Foundation rated Germany at the lowest level for the indicator „mhealth, apps, and mobile applications are routinely used in healthcare“, which on its scale equated to „Does not exist“. That said, around 59% of Germans say they can now envisage using apps that are available on prescription; even in the 65+ group that figure is almost 50%. This widespread acceptance of ehealth is expected to translate into increased usage: by the start of 2020, less than 5% of patients who suffered from common conditions such as chronic back pain, high blood pressure, or migraine, had downloaded corresponding apps.

The dynamic growth in Germany‘s health app market is demonstrated by McKinsey‘s eHealth App Barometer, which measures app use based on the number of downloads. At the first peak of the COVID-19 crisis in Q1 2020, health apps and services were downloaded almost 2 million times – twice as many as in that same period the previous year.

D. Benefits of ehealth demonstrated by research

A PubMed analysis of academic articles covering ehealth in Germany across 5 therapeutic areas (cardiovascular diseases, diabetes, depression, respiratory conditions and rehabilitation) yielded 158 articles between the year 2000 and 2020.

Around 80% of the analyzed research papers that included a quantitative assessment of the impact of ehealth, showed a positive benefit of ehealth applications. The benefits delivered were mainly improved patient outcomes (79% of the studies analyzed), the remaining 21% showed cost efficiency and time savings by ehealth solutions.

In addition, the eHealth Monitor includes the BMC Innovation Panel – a recent survey of healthcare players and experts conducted by the German Managed Care Association (BMC) for this report. Its key insights:

— 85% of respondents believe that it‘s the job of politicians to speed up the implementation of ehealth in Germany. Around two-thirds think that healthcare policy in the past twelve months has motivated both providers and health insurers to offer more digital services, has ramped up the competition between providers of digital innovations, and is ensuring that ehealth offerings are finding their way more quickly into actual healthcare provision.

— 82% see digital companies as the largest driver behind the spread of ehealth solutions, followed by pharmaceutical and medtech companies and health insurers. For three-quarters of respondents, it is patients who benefit most from ehealth, followed by doctors and digital firms.

— Most participants in the healthcare system believe that the greatest challenge facing digitization is acceptance on the part of providers, and of the medical profession in particular. For representatives of health insurers, self-government and politicians, data protection and data security are the biggest hurdles.

One very personal insight into the value of digitization to patients and their families comes from medical professional Bettina Ryll in her **guest feature.** She founded the Melanoma Patient Network Europe – a network dedicated to helping skin cancer patients across national and cultural borders, offering them a wide array of digital options for finding information and support.

Uwe Schwenk, Program Director for Bertelsmann Stiftung‘s „Improving care – Informing patients“, also advocates a proactive route to digital healthcare provision. In his **interview,** he speaks about the practical challenges of digitization, the advantages of electronic health records, and quality assurance for ehealth apps. He believes that the key to this digital transformation lies in creating real value and user acceptance. And, according to Schwenk, encouraging this acceptance „is a strategic task“.

Part 2 – Focus on telemedicine

This growth market has enjoyed a boost thanks to the COVID-19 pandemic. Our **main article** looks at the development of telemedicine over the past few years in Germany, and explores its application in the German healthcare system. Conclusion: There is still much work to be done before telemedicine services in Germany, such as video consultations, become commonplace. This will include, next to the provision financial incentives and regulatory support, above all an expansion of the country’s digital infrastructure and improved interoperability.

In his **guest feature,** Ulrich von Rath, specialist in internal medicine and general medicine, postulates that „Telemedicine makes sense because it enriches the care we provide“. He offers insights into the use of telemedicine in practice, and shows which steps are necessary to drive digitization in the outpatient setting.

In our **roundtable,** three telemedicine companies tackle this issue from the provider perspective: Katharina Jünger from TeleClinic, Claudia Linke from Zava, and Florian Weiß from Jameda. They discuss where telemedicine is headed, and what might potentially help speed up its growth. Their conclusion: The future of medical care in Germany lies in blended care – a hybrid mix of digital and in-person treatment. However, for that to happen, telemedicine needs to be embedded deep in the national health ecosystem.

The eHealth Monitor 2020 closes with an **outlook** from the Federal Ministry of Health on the future of ehealth in Germany. The article includes a reflection from the legislative perspective on what has been achieved thus far, and what are the plans to facilitate the breakthrough of digital healthcare provision in Germany on a broader scale. First and foremost, this will mean opening up the healthcare system to innovation, the development of a comprehensive communication network with the ePA as a central platform, and the creation of a European health data space for the fair processing and use of healthcare data.