



Wind of Change - Social Insurance in Climate Change

German Social Insurance Discussion Paper from 27 June 2023

The German Federal Pension Insurance (DRV Bund), the German Social Accident Insurance (DGUV), the National Association of Statutory Health Insurance Funds (GKV-Spitzenverband) and the national associations for statutory health and long-term care insurance and the Social Insurance for Agriculture, Forestry and Horticulture (SVLFG) have all joined forces to form the "German Social Insurance - European working group) in view of their common European policy interests.

The association represents the interests of its members vis-à-vis the bodies of the European Union (EU) as well as other European institutions and advises the relevant participants in the context of current legislative proposals and initiatives.

As part of Germany's statutory insurance system, health and long-term care insurance, pension insurance and accident insurance provide effective protection against the consequences of major life risks.

I. Background

Climate change has been classified by the WHO (World Health Organisation) as the greatest threat to human health in the 21st century. The consequences of climate change will have a direct impact on both individual and collective health. Severe weather events such as floods, heat waves and storms will also pose new challenges for social insurance. Implementing measures in the prevention and health care sectors as well as in occupational health and safety are of particular importance in order to counter the new risks to society in the best possible ways.

The EU is committed to the global fight against climate change and it is playing an important role in the green transformation. The European Green Deal, the European Climate Law or determining the climate target for 2040 will influence numerous specific political initiatives that will concern the health and social systems and will also affect the social security schemes. The green transition can only succeed if responsibility for sustainable action is recognised and taken into consideration in all policy

sectors. All of the sectors, which includes the social and health sectors, must make a contribution along the path to climate neutrality.

II. Confronting climate change - Social insurance sees a need for action

Social insurance has the responsibility to adapt health and care provision as well as occupational safety and health to climate-related changes and to mitigate the CO₂ footprint generated by the healthcare system. The healthcare system in Germany is responsible for around 5 per cent of the nationwide CO₂ emissions. For example, the pharmaceutical industry alone contributes significantly to environmental and climate pollution through its chemical-intensive production facilities. About 20 per cent of emissions in the health sector are caused by pharmaceutical products. How can or should social insurance institutions exert their influence? Mutual approaches can only be found if all of the stakeholders in the healthcare system work cooperatively towards a climate-neutral healthcare system, e.g. through climate-neutral inpatient and outpatient facilities as well as an ecological and sustainable circular flow economy for pharmaceuticals, medical products and devices. Climate-friendly potential also exists in digitisation, e.g. if travelling distances can be reduced through telemedicine. The social insurance institutions have strategic opportunities to exert their influence, e.g. in using discount contracts, approving contractual partners, when drafting the contracts, through counselling and educating the insured people or when providing preventive services.

The effects of climate change on employees and insured people are already noticeable. The risk of occupational accidents and diseases is increasing in some sectors, sometimes even dramatically, due to the changing working conditions. Adapted prevention and protection measures are needed in the workplace as well as climate-sensitive adapting of health and nursing care.

Heat

The increasing exposure to heat is placing new demands on the health care system as well as occupational health and safety. Heat exposure exacerbates existing health problems such as cardiovascular and respiratory diseases and it can also cause additional deaths. This means that clinics and nursing homes must also provide adequate hydration and shade. Other consequences of the negative health

effects are increased visits to the doctor, rescue operations and hospital admissions. They can put significant strains on both medical and emergency infrastructures as well as the social systems. Health risks caused by heat exposure particularly affect employees who work outdoors. They are more exposed to the risk of dehydration, exhaustion and heat stroke whilst working. However, these risks exist not just outdoors but indoors as well. Prolonged periods of heat will cause room temperatures to rise in offices and factories. Employees mental health must not be ignored as increased temperatures also lead to heat stress and mental strain.

Infectious diseases and allergies

Climate change increasingly benefits the risk and speed of occurrence and spread of infectious diseases. Coastal regions and port cities where tropical diseases such as dengue fever first arrive and make their way into Europe are at particular risk. Domestic plagues such as ticks, which can transmit Lyme disease or early summer meningoencephalitis (ESME), are now active longer due to warmer autumn and winter months. Extended flowering and pollen seasons as well as the spread of highly-allergenic plants will also cause increased allergies.

Storms

Extreme weather events, such as the floods in the Ahr valley, not only result in deaths and injuries, but also to large-scale deployments involving fire and rescue services, sometimes under the most difficult conditions. Consequently, these events can also lead to an increase in mental illness, noticeable diagnostic analyses in pregnant women, complications during surgical interventions and increased accidents in the agricultural sector. Matters would be made worst if the medical supply infrastructure was also degraded or severely impaired.

These aforementioned risks must be anticipated by the social insurance institutions. Financing issues and responsibilities need to be clarified as climate change is also putting social insurance schemes under high spending pressure.

III. EU's action options: Combining climate and social policies

Actions implemented by the social insurance institutions must accept climate-related challenges and actively participate in making the health and social systems climate-neutral and sustainable. The green transformation of the health and social systems must be socially just and based on solidarity. Adaptation measures should

be aimed at especially vulnerable groups such as the elderly, children and adolescents and the chronically ill, who are most vulnerable to climate-related health effects. Acting in this way will also be in keeping with the underlying idea of intra- and inter-generational justice in society. This means that synergies between climate and social protection must also be created. Efforts must also be made in a social and solidarity-based society to ensure that the gap between socio-economic status and health opportunities does not widen with climate change.

The EU must put the climate-neutral transformation of health and social systems on the political agenda and act in a supportive way. Whereas the EU's competences for health and social policies are limited, it can still support the green transformation through cross-border coordination, monitoring and funding. The EU can also make a significant contribution to cushioning the impact of climate change on European societies through disaster preparedness and improved crisis management. Research into climate effects and adaptation strategies in the health and social systems must also be specifically promoted. Improved monitoring and early warning of climate-related health threats, such as recent infectious diseases (the Corona pandemic) or extreme weather events and heat waves, are becoming increasingly important. What must be taken into consideration right from the start is that the green transition will not only bring new working conditions but new risks as well, e.g. through working with hydrogen. Appropriate preventative and occupational health and safety measures should therefore be developed as precautionary measures and implemented legally and practically at an early stage. The EU also has room to manoeuvre during the introduction of environmental and sustainability standards, e.g. in global pharmaceutical supply chains, the medical products circular economy or when promoting climate-neutral buildings.