



# **DRIVERS FOR FINNISH HEALTH CARE REFORM — NEW MODELS AND FACILITIES**

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# PRINCIPLES OF THE FINNISH HEALTH CARE SYSTEM

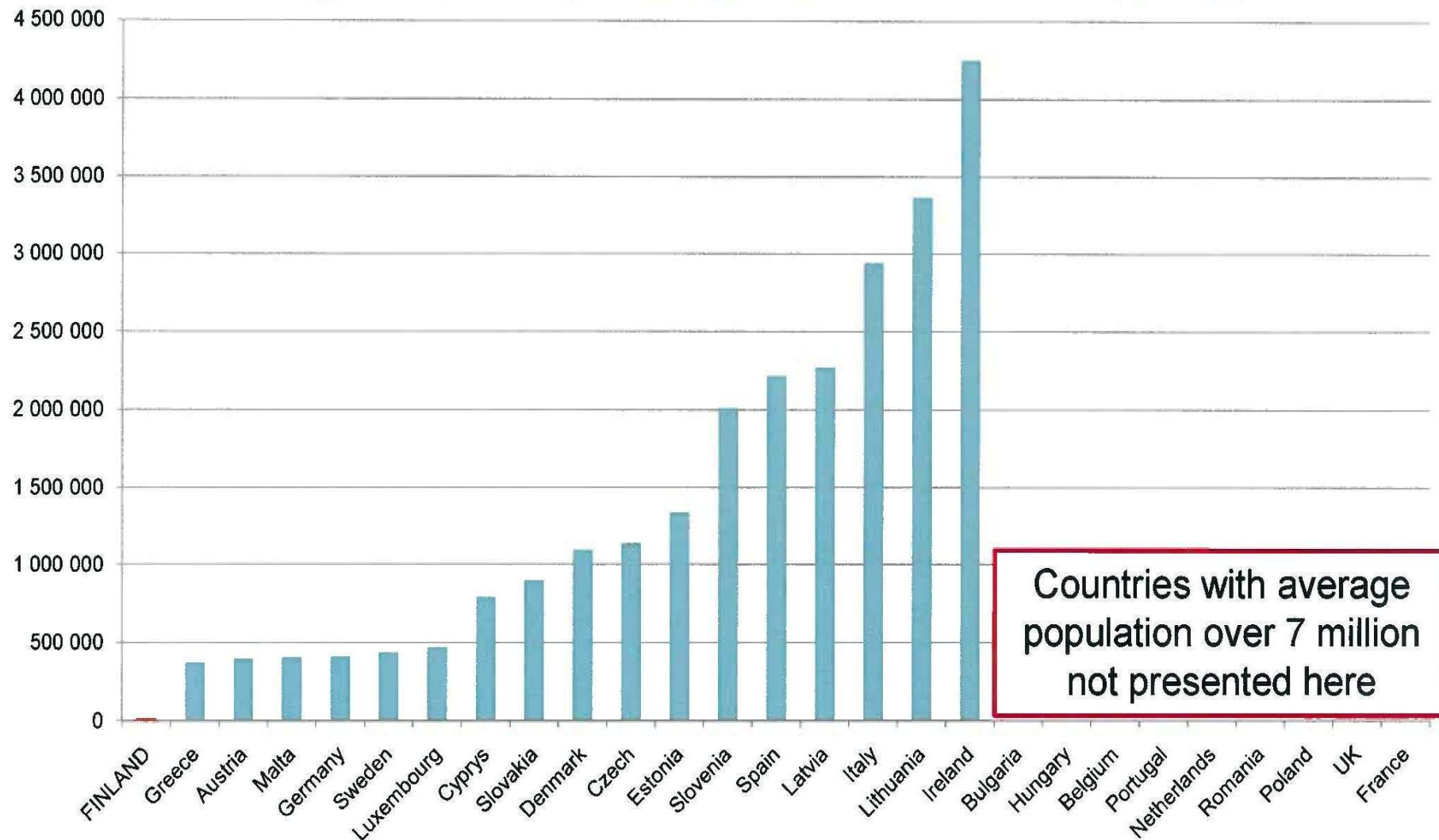
residence-based, universal and equal right to health services

municipalities are responsible for organising primary health care and specialised medical care

public services are mainly funded by tax revenues collected by the state and municipalities

client charges do cover 5-10 % of costs

# Average population per funding organisation in EU-countries



# PRINCIPLES OF THE FINNISH HEALTH CARE SYSTEM

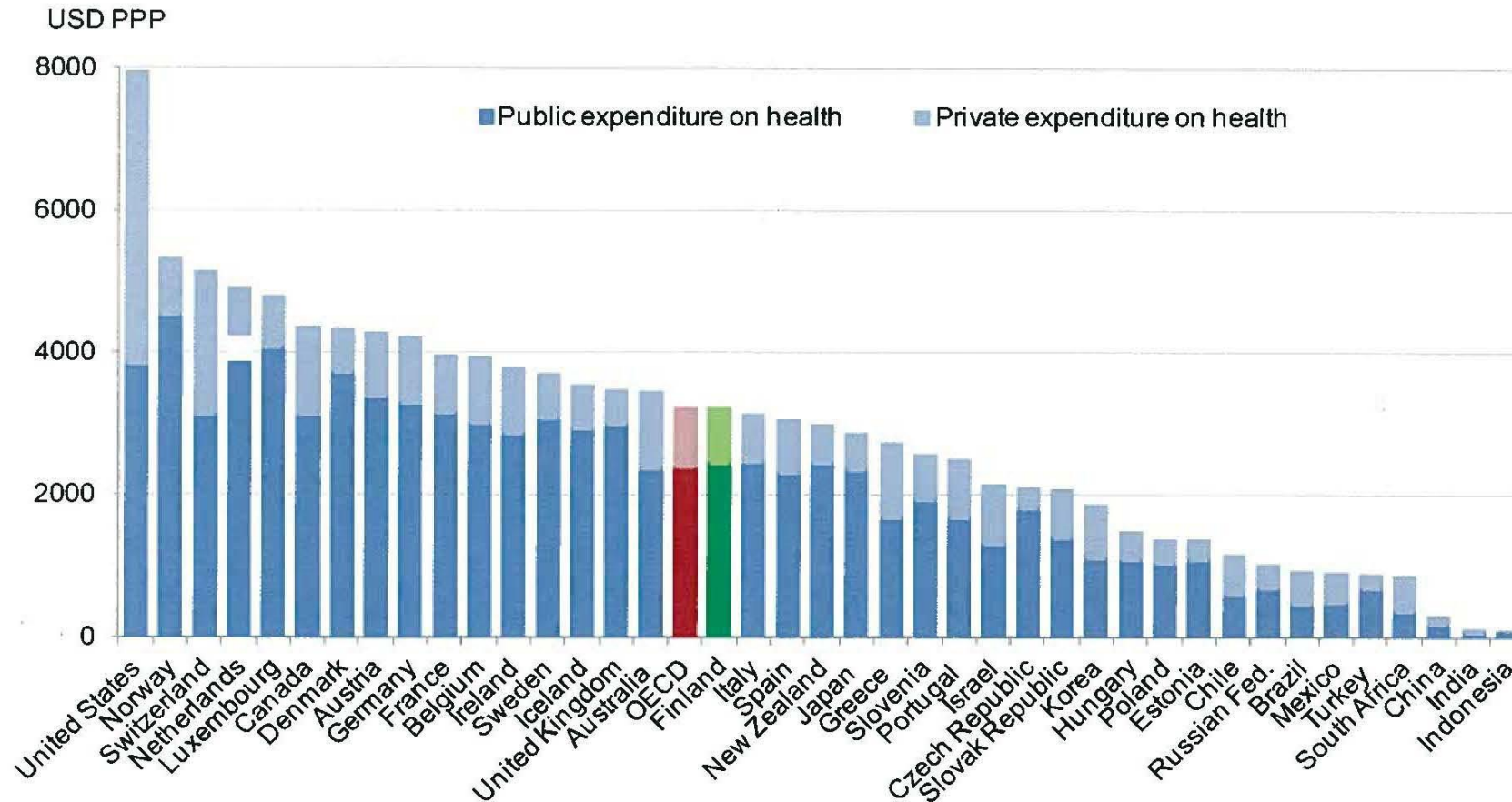
low health expenditure as share of GDP;

Finland 9,2 %; OECD average 9,6 %

strenght? challenge?



# Total health expenditure *per capita* 2009 (or nearest year)

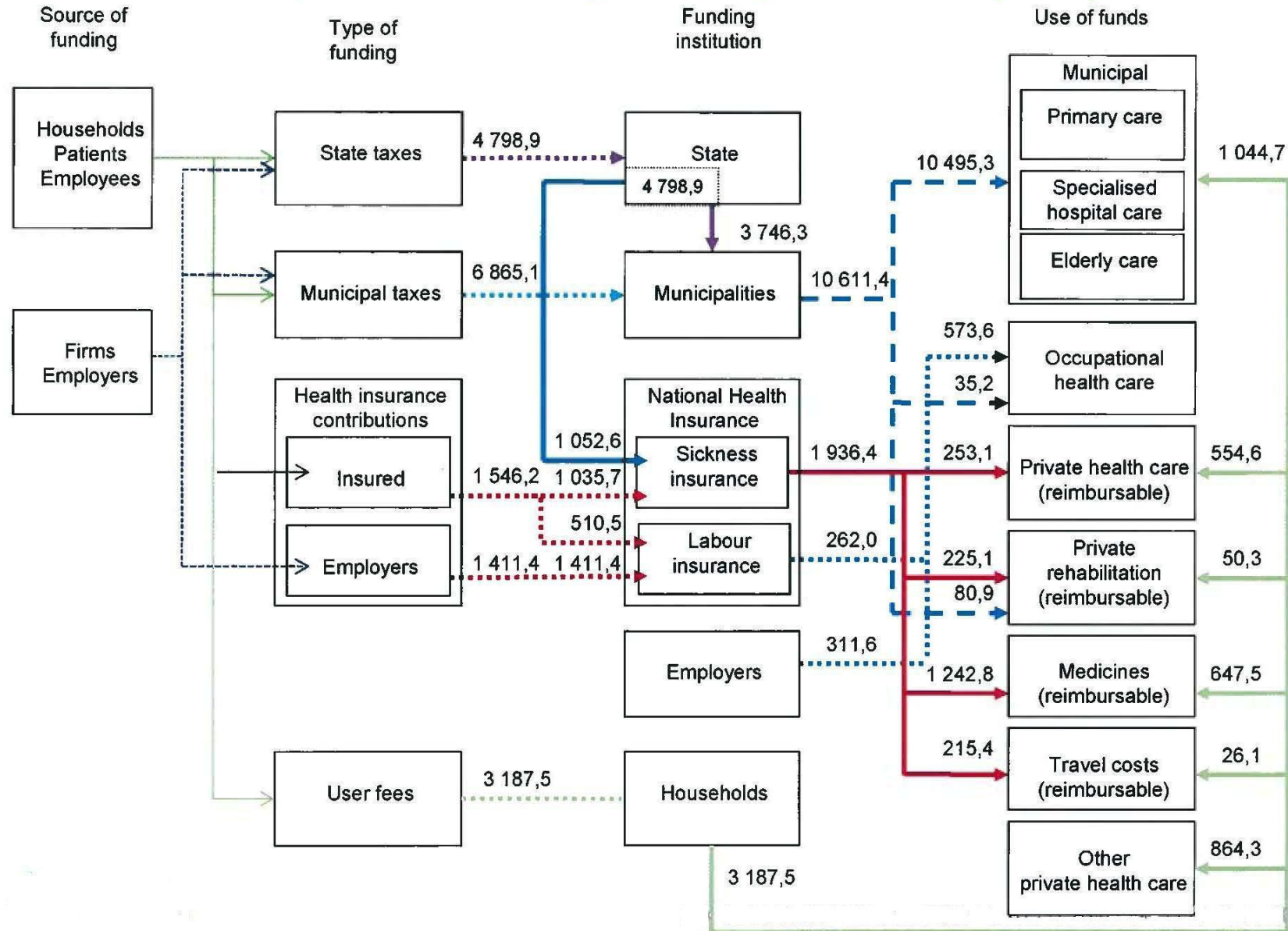


Source: OECD Health at a Glance 2011

	Financing of health expenditure, %		
	2000	2005	2010
Public sources	<u>71.5</u>	<u>75.6</u>	<u>74.7</u>
Government	17.7	21.5	24.9
Municipalities	39.7	39.3	35.1
Social Insurance Institution	14.1	14.8	14.6
Private sources	<u>28.5</u>	<u>24.4</u>	<u>25.3</u>

	Breakdown of health expenditure, %		
	2000	2005	2010
Specialised health care	32.3	32.9	34.3
Primary health care *	18.3	18.1	17.8
Pharmaceuticals	15.2	<u>16.0</u>	<u>13.9</u>
Other items	34.2	33.0	34.0
* excl. occupational health care, student health care and dental care			

# Main financial flows in Finnish health care (incl. elderly care) in 2008 (m€)





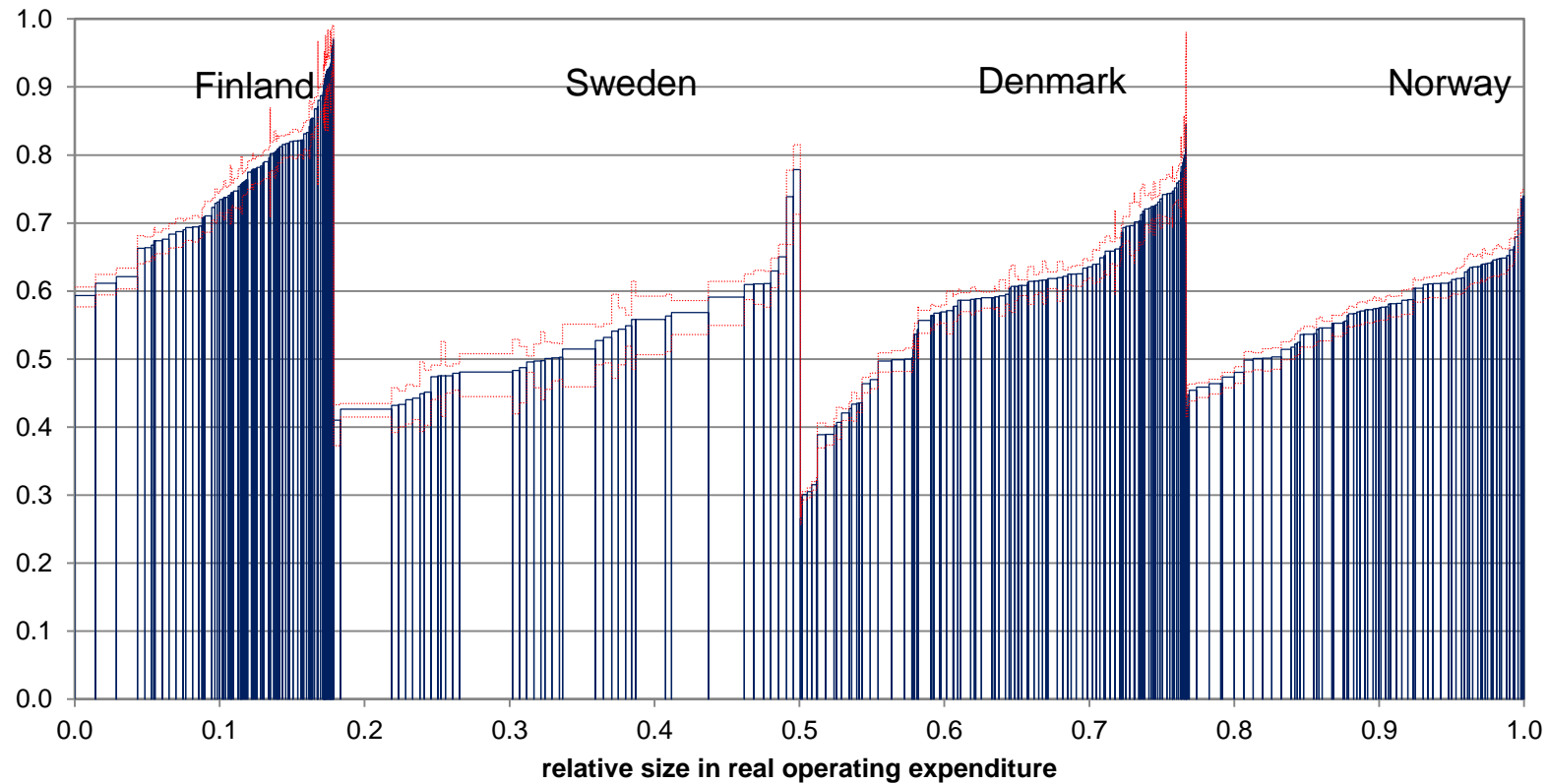
## PRODUCTIVITY VS. EFFECTIVENESS

Productivity of the Finnish hospitals is among the best of Nordic countries

Recent comparative evidence from EuroHOPE study shows that outcome of hospital care is reasonable but not as competitive as productivity

Variation in productivity and effectiveness of care between regions is much wider than in other countries

# PRODUCTIVITY OF NORDIC HOSPITALS (SALTERFIGURE) 2005-2008



# CHALLENGES

relatively low patient status; patients choice is increasing, patients involvement weak

equity problems between population groups and geographic areas

relatively weak primary care

avoidable mortality score average

health care reforms; never ending story

# CHALLENGES OF SERVICE STRUCTURES IN FINLAND

relatively small units (municipalities) responsible

service delivery fragmentation; parallel systems providing health services; the municipal, the private and occupational health system

lack of integration; health and social care, primary and secondary care

## SOCIAL- AND HEALTH CARE REFORM FOR

equity problems: geographic, population groups

stronger primary health care and better access to primary care

more attention to prevention

stronger municipalities and bigger funding organisations?

## HOW ?

integration between primary health care and secondary health care

integration between health care and social affairs

stronger and bigger (population) organisers

## HOW ?

residence based system still

clients freedom to choose the place of care

at least a population of 20000 is needed to organise primary health care and social affairs

20-35 organisers for social affairs and health?

populations from 50 000 to 500 000?

5 areas and organisations to take care of co-operation

# HEALTH INEQUALITIES ARE HIGH

Between:

Gender: among widest gap in the OECD

Socio-economic groups: large life expectancy gap between the lowest and highest income quintiles

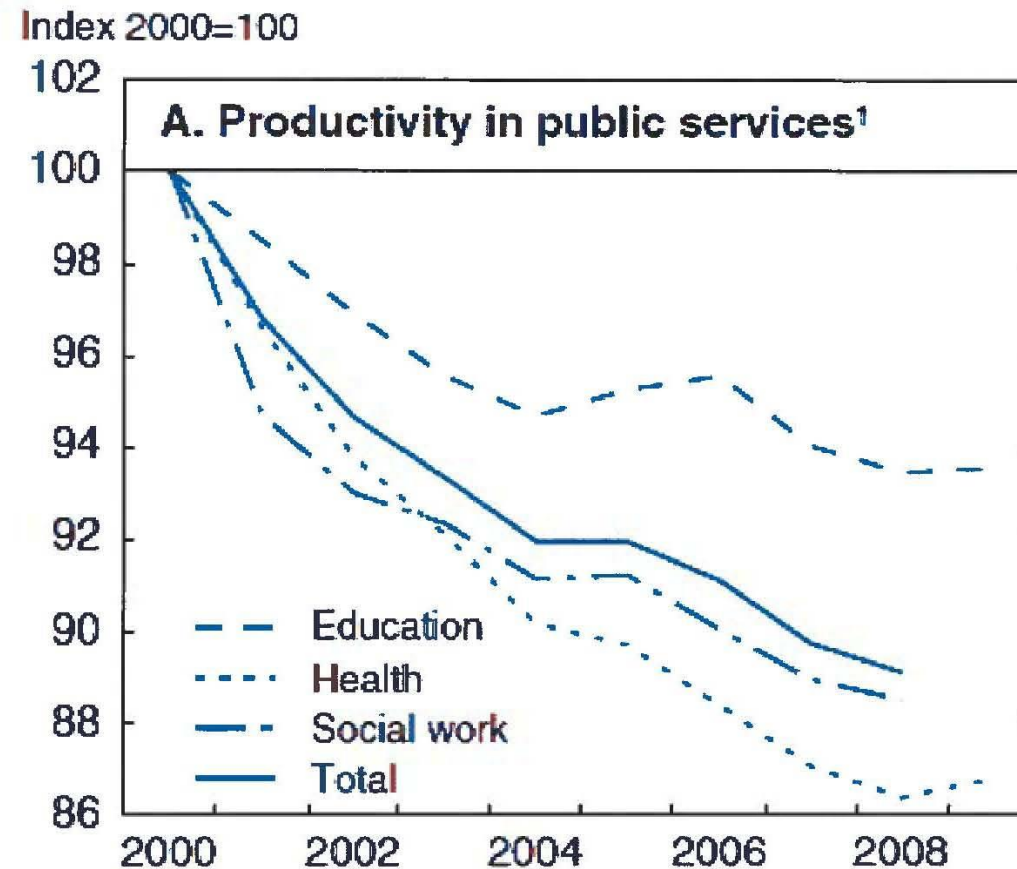
- Men = 12.5 year in 2007 (+5.1 since 1988)
- Women = 6.8 years (+2.9 since 1988)

Regions: Age-standardised mortality rates at age 15-64 ranged between 230 and 440 for 100,000 in 2009





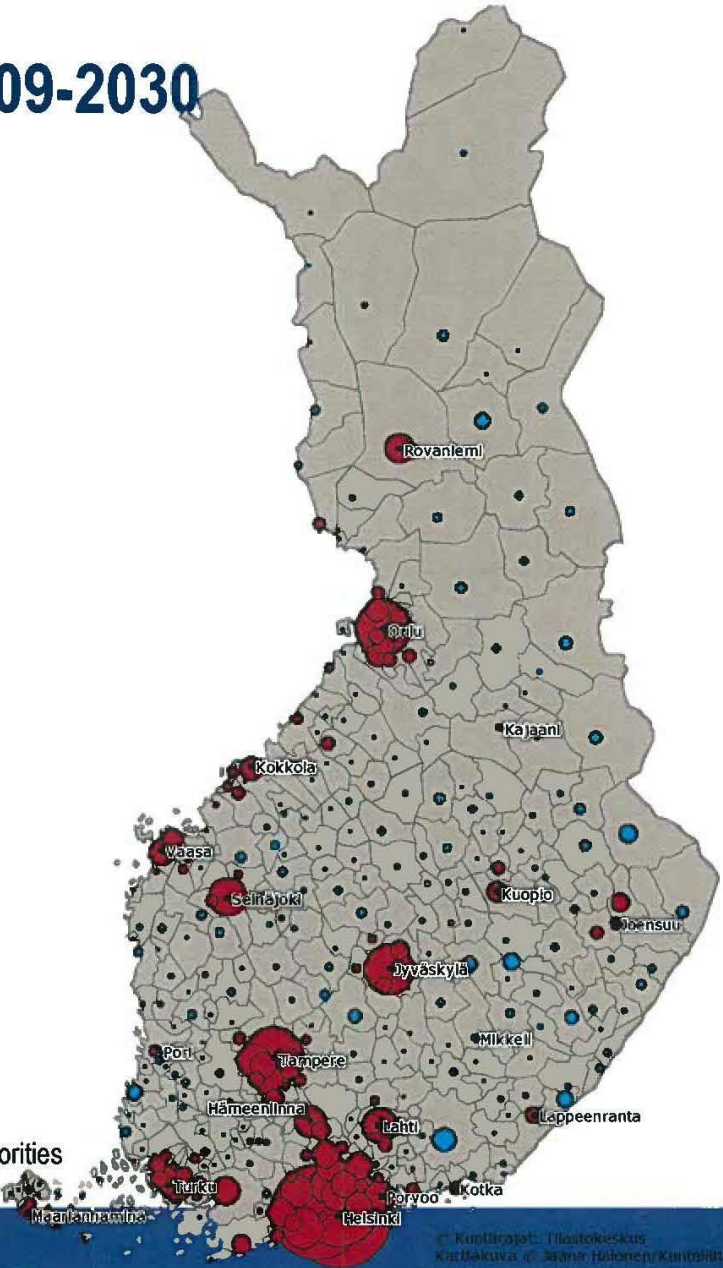
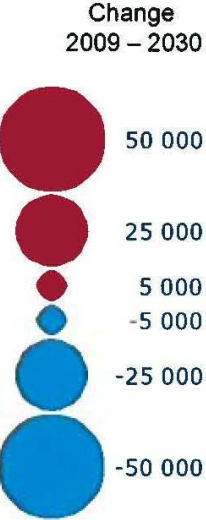
# Productivity in the health sector



1. Value added per hour.

Source: Statistics Finland, Statistics on Local Government Productivity 2009

# Population change 2009-2030



1 300km

Picture: Association of Finnish Local and Regional Authorities

2nd October, 2014 Kati Myllymäki

MINISTRY OF FINANCE  
Finland

Department of Municipal Affairs

Kuittitiedot: Tilastokeskus  
Kattavuus: Kaikki Suomessa  
Lähde: Tilastokeskuksen väestöennuste

8.10.2012

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## OECD: PLANNED POLICY REFORMS ARE GOING IN THE RIGHT DIRECTION, BUT QUESTIONS REMAIN

Reform of municipalities and services has large potential for both efficiency and equity gains

- But the optimal number of municipalities seems to be around 30 (population 200,000).
- Reorganisation of specialised care and emergencies (moving in the same direction as Denmark and Norway?)
- Pooling of risks still imperfect (other options?).

New Health Care Act (May 2011): improves user choice. Go further? promote purchaser-provider split where appropriate?

Multi-source funding: more co-operation between municipalities and the National Health insurance (sufficient?)

# Social welfare and health care reform

## Key contents of the act on the arrangement of services

Terveys ja talous  
Association  
Seminar 27 June 2014  
Pekka Järvinen, Ministry of  
Social Affairs and Health

# Key objectives of the social welfare and health care reform

- Promotion of the health, well-being and social safety of the population
- Guaranteeing equal provision of social welfare and health care services in all parts of the country
- Strengthening primary level social and health care services
- Delivering a cost-effective, high-impact service structure

# Key methods of the social welfare and health care reform<sup>1(2)</sup>

- Widest possible integration
  - social welfare and health care service package (both primary and specialised services) under the same administration and budget
  - people's needs for services addressed as a whole
- Provision of local services ensured
  - A Joint Local Service Project of the ministries and the Association of Finnish Local and Regional Authorities has been launched



# Key content of the reform

- Responsibility for arranging the services
- Decisions on service provision in social welfare and health care regions
- Responsibility for service provision
- Availability of and access to services, local services
- Administration
- Steering, planning and development
- Funding
- Implementation

## CONCLUSIONS; SERVICE SYSTEM IN FINLAND

at the moment unique

has been running basicly well

is in trouble especially in primary health care and in elderly care

is in transition

is in need of rebuilding