

Public long-term care systems in Scandinavian countries: Recent policy shifts and future challenges

Marja Vaarama, THL

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NATIONAL INSTITUTE FOR HEALTH AND WELFARE, FINLAND



Setting the scene

- The presentation focuses on changes in the LTC-systems in four Nordic countries since 1990's
 - Denmark
 - Finland
 - Norway
 - Sweden
- Iceland, Faroe Island and Greenland are not included
- “Older Person” = 65/67 years of age
- (old fashioned but due to statistical definition)



Contents

Long-term care systems in the four countries in focus

Trends, reforms and evidence of changes

Future challenges

Conclusion – dismantling Nordic Universalism?



Main sources are statistics and literature

NOSOSCO 1998-2011

OECD 2011,2012

Eurostat, National Statistics

Sweden: Fukushima et al. 2010, Szebehely and Trydegård 2012

Norway: Christensen 2012, Vabø 2009 & 2012

Finland: Anttonen and Häikiö 2011, Kröger 2011, Vaarama 2009 & 2010

Denmark: Campbell and Wagner 2010, Rostgaard 2011 & 2012

Long-term care systems in four countries in focus

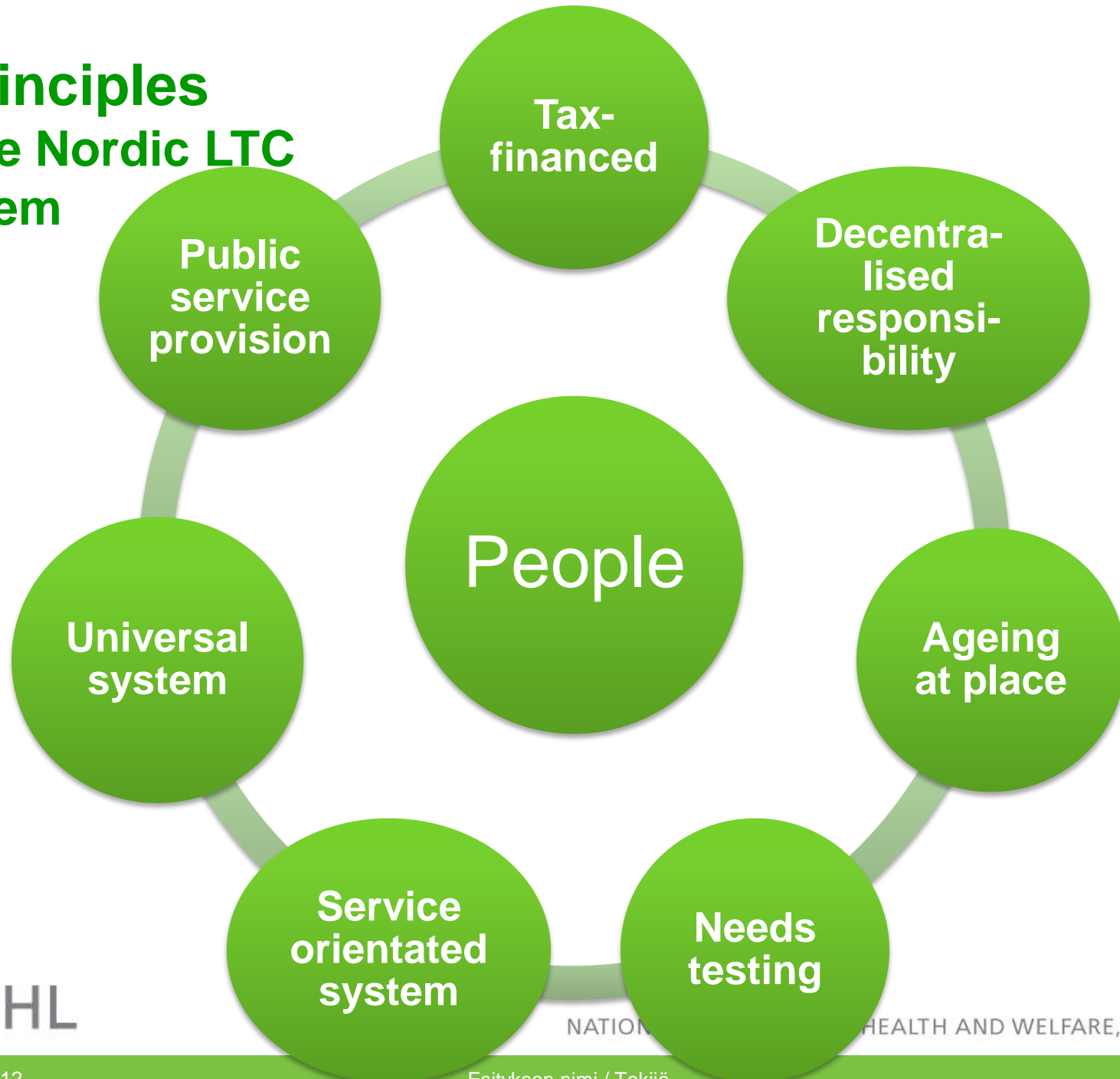


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7 Principles of the Nordic LTC System



Long-term care services and benefits

Home help and care

- Domestic and personal non-medical help
- Home nursing
- Various support services

Institutional care

- Nursing homes
- 24/7 service housing
- Day/part time care options

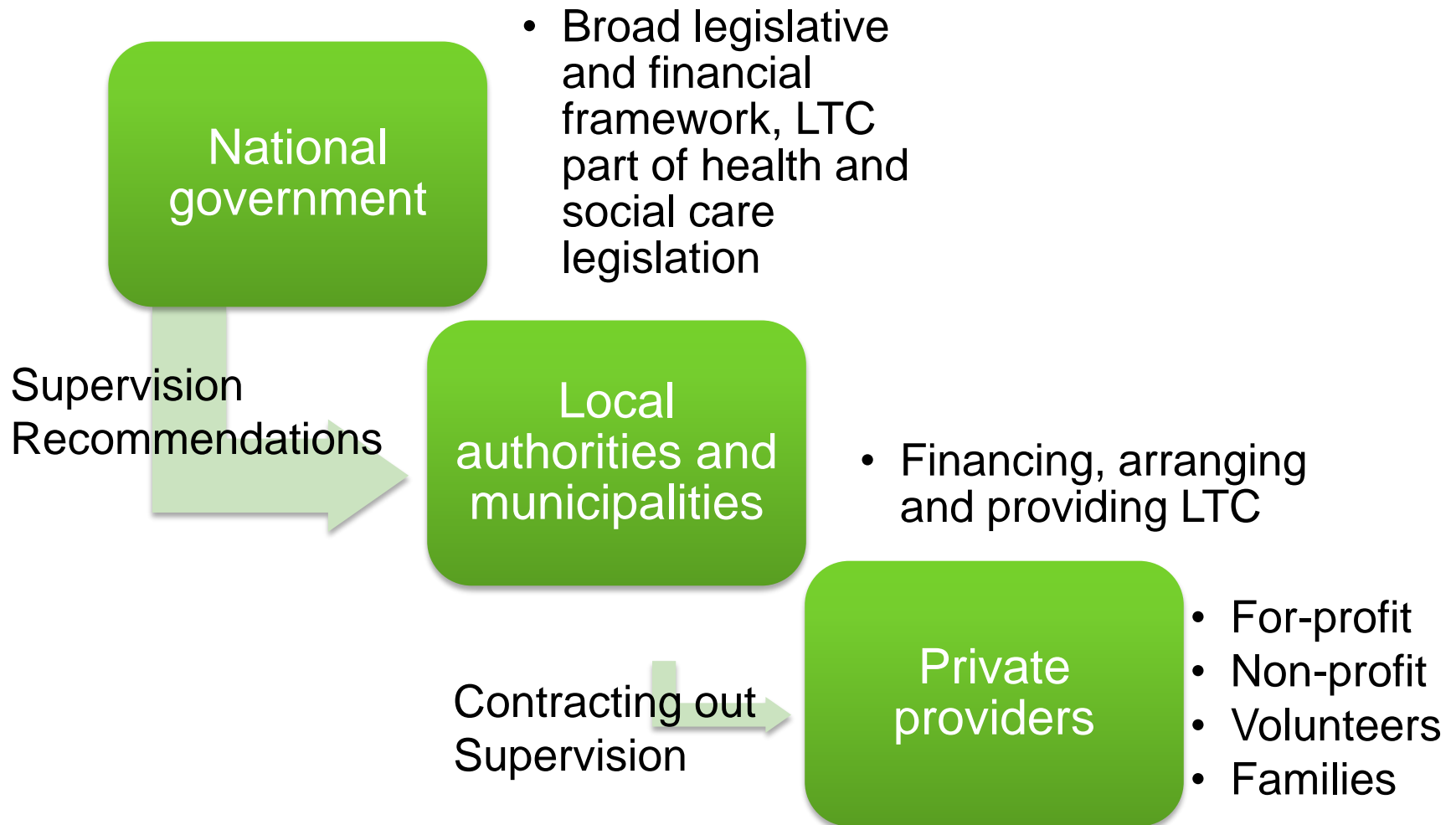
Cash benefits

- Some exist but services are a priority

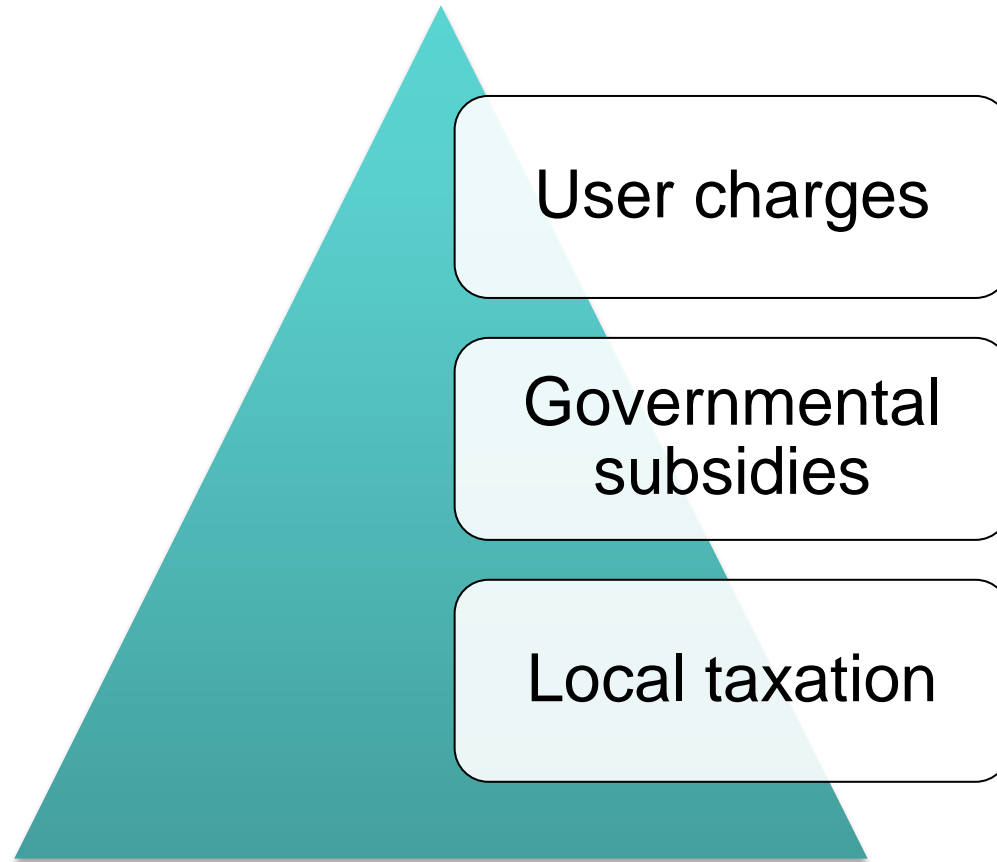
Support for informal carers

- Cash benefits
- Support services
- Respite care

Governance of long-term care



Financing of LTC



Population structure of Nordic countries

	Denmark	Sweden	Finland	Norway
Population 65+ 2011	12,7 %	13,2 %	12,7 %	12,7 %
Population 80+ 2011	4,1 %	5,3 %	4,8 %	4,1 %
Life Expectancy 2010	77,2 men 81,4 women	79,6 83,6	76,9 83,5	79,0 83,3

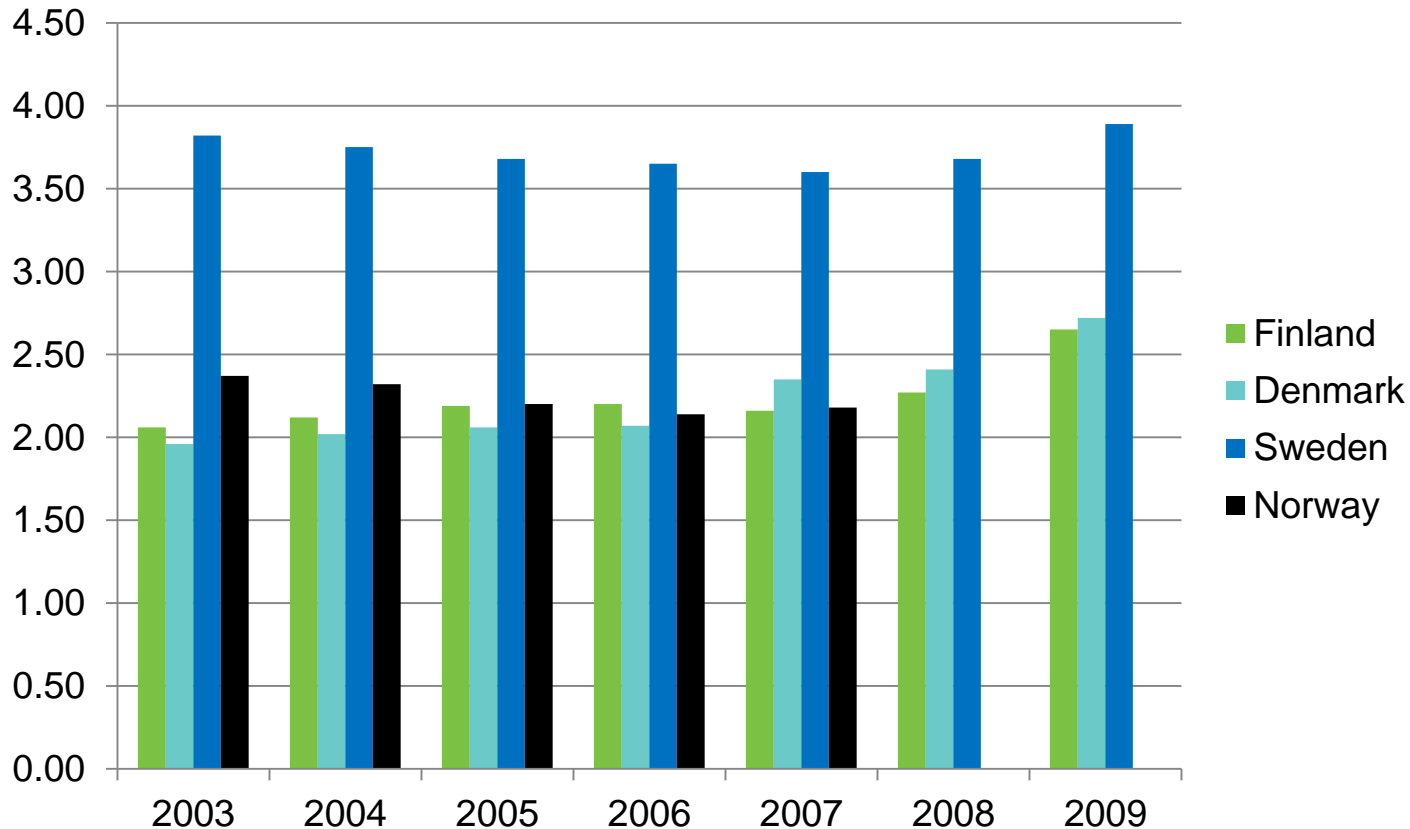
Eurostat 2012

Social expenditure in old age, share of total social expenditures 1995-2009 remained quite stable, 30-40 %

	1995	2000	2005	2008	2009
Denmark	37.6	38.0	37.5	38.4	37.1
Finland	28.9	31.8	33.7	34.6	35.3
Norway	31.2	29.6	29.5	30.6	30.1
Sweden	34.3	37.3	38.3	39.9	40.2

NOSOSCO 2010 & 2011

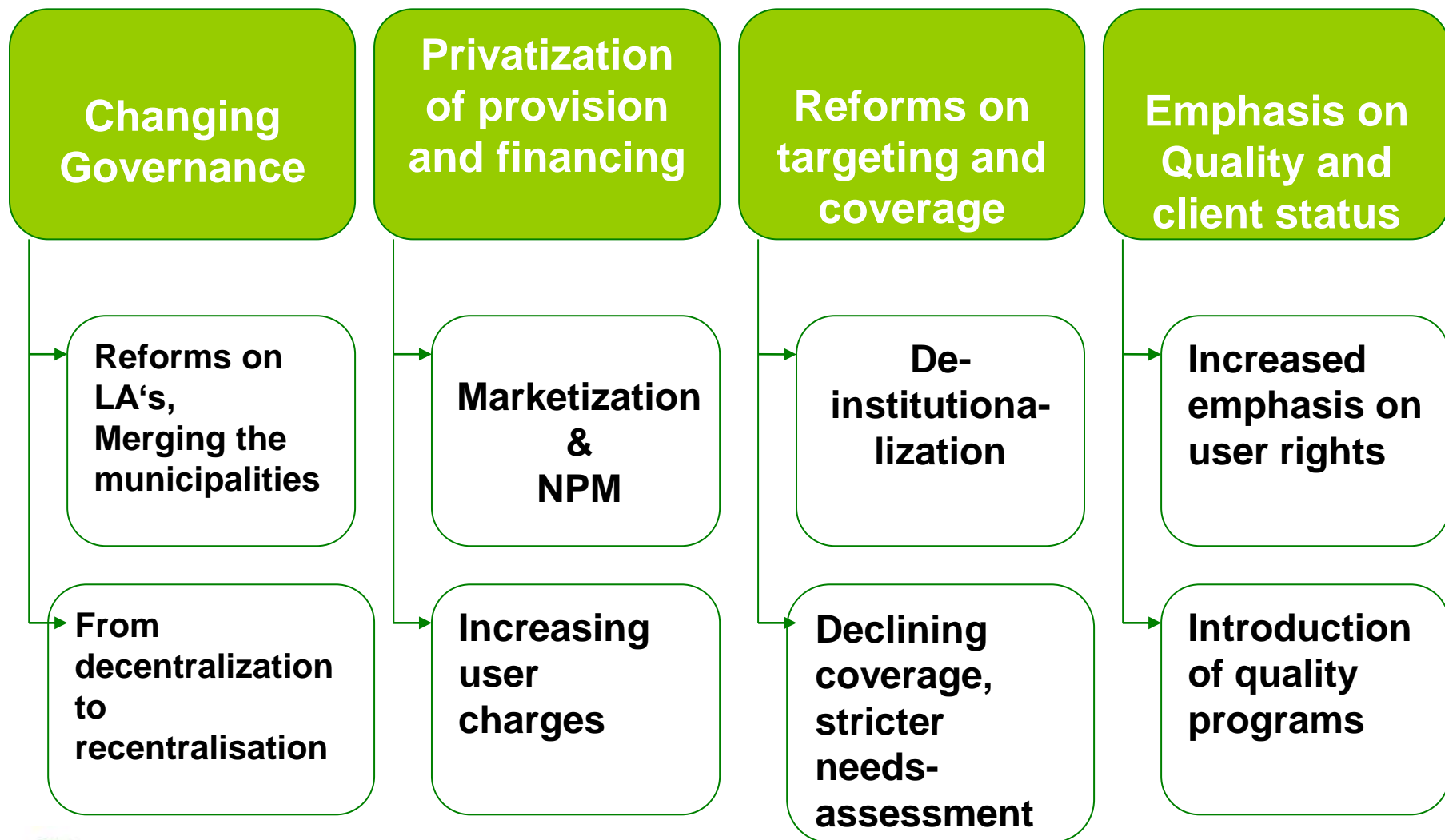
LTC expenditure 2003-2009, percentage of GDP, from 2 to 2,3 – except Sweden ca. 3,8



Trends, reforms and evidence of changes



Trends – Reforms - Changes



Decentralization since 1990ies

- Reforms to shift the LTC responsibilities (financing, allocating and delivering) to **municipalities** also in DK, N and SE similar to Finland
- Ear-marked governmental subsidies transformed into **block grants**
 - SE and FI 1993
- Municipal freedom to introduce **purchaser-provider models** in LTC

Evidence of recentralisation

The Danish Local Government Reform 2007

- 270 → 98 municipalities
- 14 counties → 5 regions
- Reducing levels of taxation from three to one
- Average municipality size 56,000

- Fiscal decisions concerning health care taken centrally.
- Five regions responsible for service administration.
- Municipalities responsible for most welfare tasks, including LTC

Finland

- Since 2005 reform programs aiming at merging the municipalities to diminish their amount and restructuring the service system
- Politically difficult, hence slow progress
- New program included in the New Government`s Program, still on-going debate and no agreement up today

Sweden

- On-going discussion
- A recent report from the government suggests broad reforms in the administrative structure of the Swedish social and health services.

Market-oriented reforms

Purchaser-provider models since 1984 (FI)

**Free-choice and voucher –
schemes since 1991(SE)**

**Tax deductions
since 2001 (FI)**

Promoting the use of private care services: Free-choice models with vouchers increased in last decade

Sweden	Finland	Norway	Denmark
<p>1991 & 2001 Free choice recommendations</p> <p>2009 Act on Free Choice Systems: Customer choice / voucher systems</p>	<p>Late 1990ies voucher experiments</p> <p>2004 municipalities allowed to provide some care services by handing out service vouchers</p> <p>2009 Law on Health and Service vouchers</p>	<p>2000 Cash-for-care scheme</p> <p>2001 Free hospital choice</p>	<p>1993 Free hospital choice</p> <p>Senior's package 2002, incl. free choice of housing for older people</p> <p>2003 recipients of home care free to choose providers</p>

Tax deduction schemes since 2001

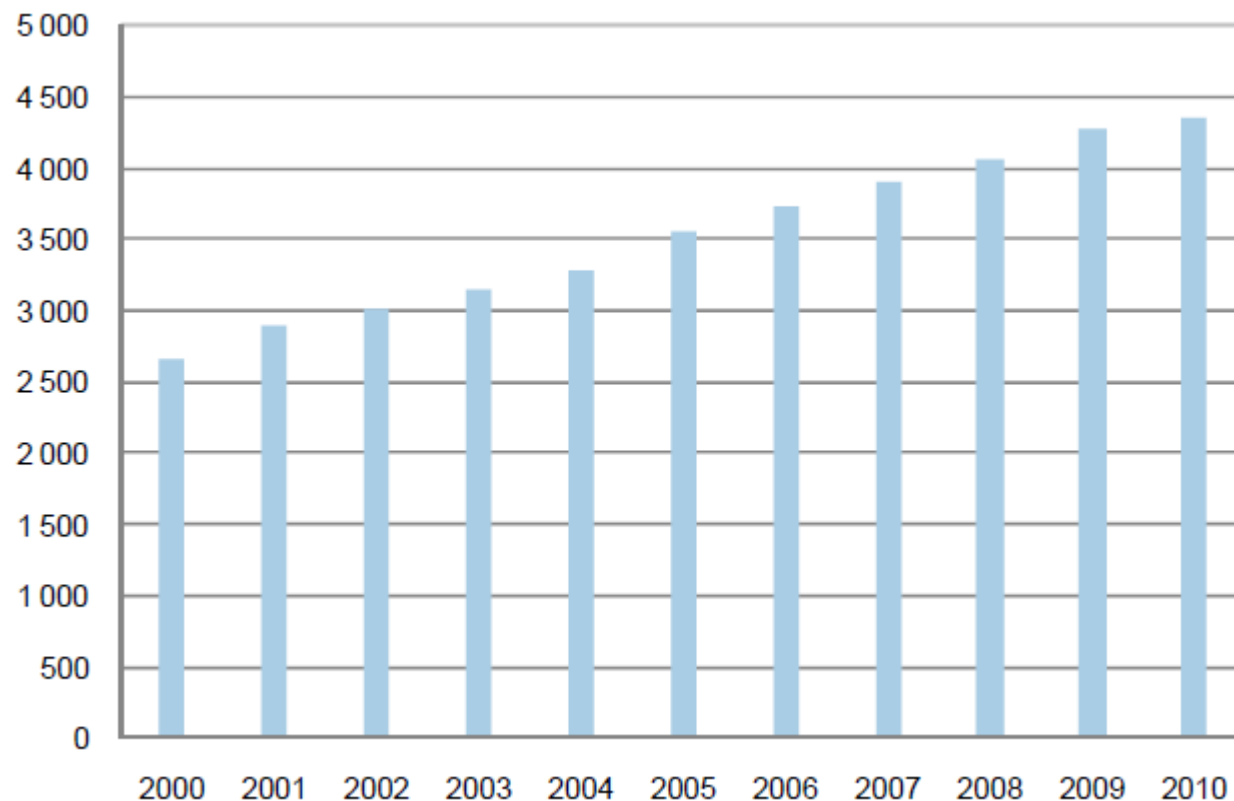
Denmark	Sweden	Finland
<p>Older people allowed to deduct 30% of the expenditure on domestic chores assistance</p> <p>2011-2013 Bolig job ordning: allows all age groups to deduct 2000€ annually of domestic services costs</p>	<p>All age groups allowed to deduct 50% of the expenditure on household services or personal care, up to 5700€</p>	<p>All age groups allowed to deduct 15-45% of the expenditure on domestic help and care, up to 3000 € per years until end of 2012, up to 2000€ from January 2013 (government debates now to return it back to 3000€)</p>

Privatization of financing

- General trend of **increasing private financing** in all four countries
- but within state **regulations** of ceilings/maximums
- Charges are mostly **income-related** and some amount must be left for personal use
- The share of private financing of LTC is **minimal** in all but Finland (OECD 2011)
 - Denmark: **4 %** in 2008 (NOSOSCO 2010)
 - Finland: **17 %** in 2007 (Klavus & Meriläinen-Porras 2011)
 - Norway: N/A
 - Sweden: **4-5 %** in 2007 (Szebehely & Trydegård 2011)

How the privatization is displayed in the statistical evidence?

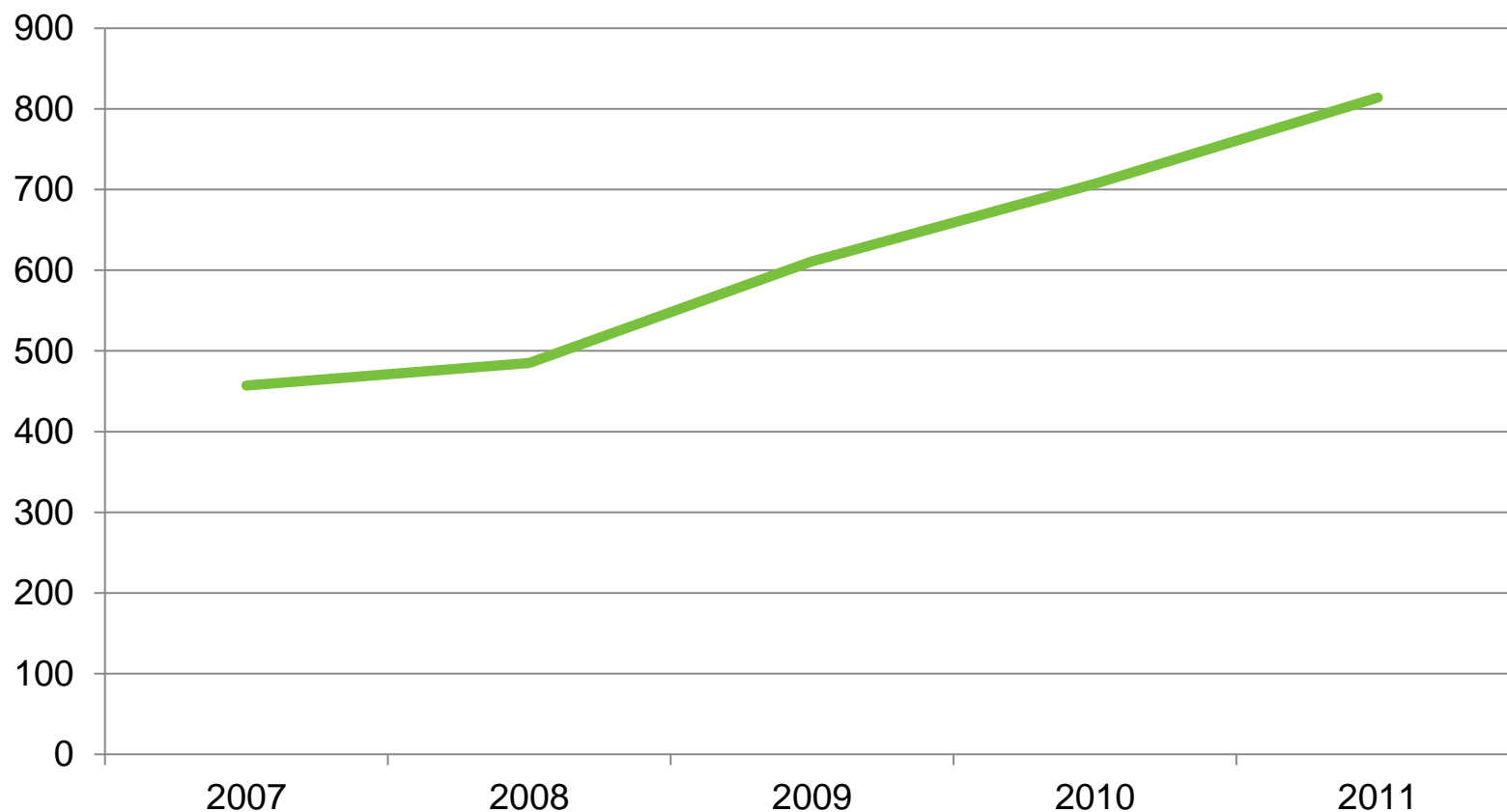
Number of private social service providers in Finland 2000-2010



SVT, Yksityiset sosiaalipalvelut 2010

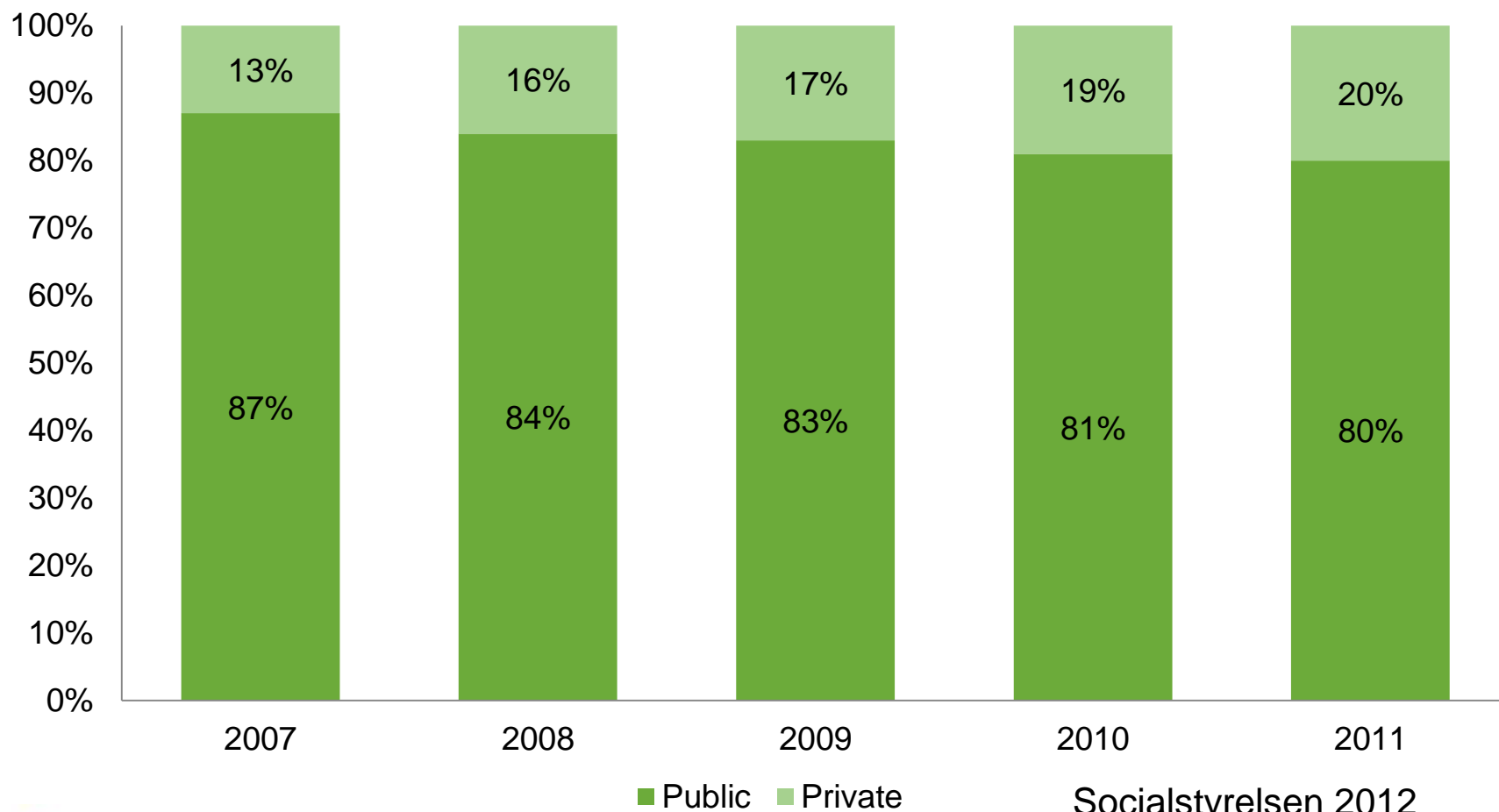
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Number of private home care service providers in Denmark 2007-2011



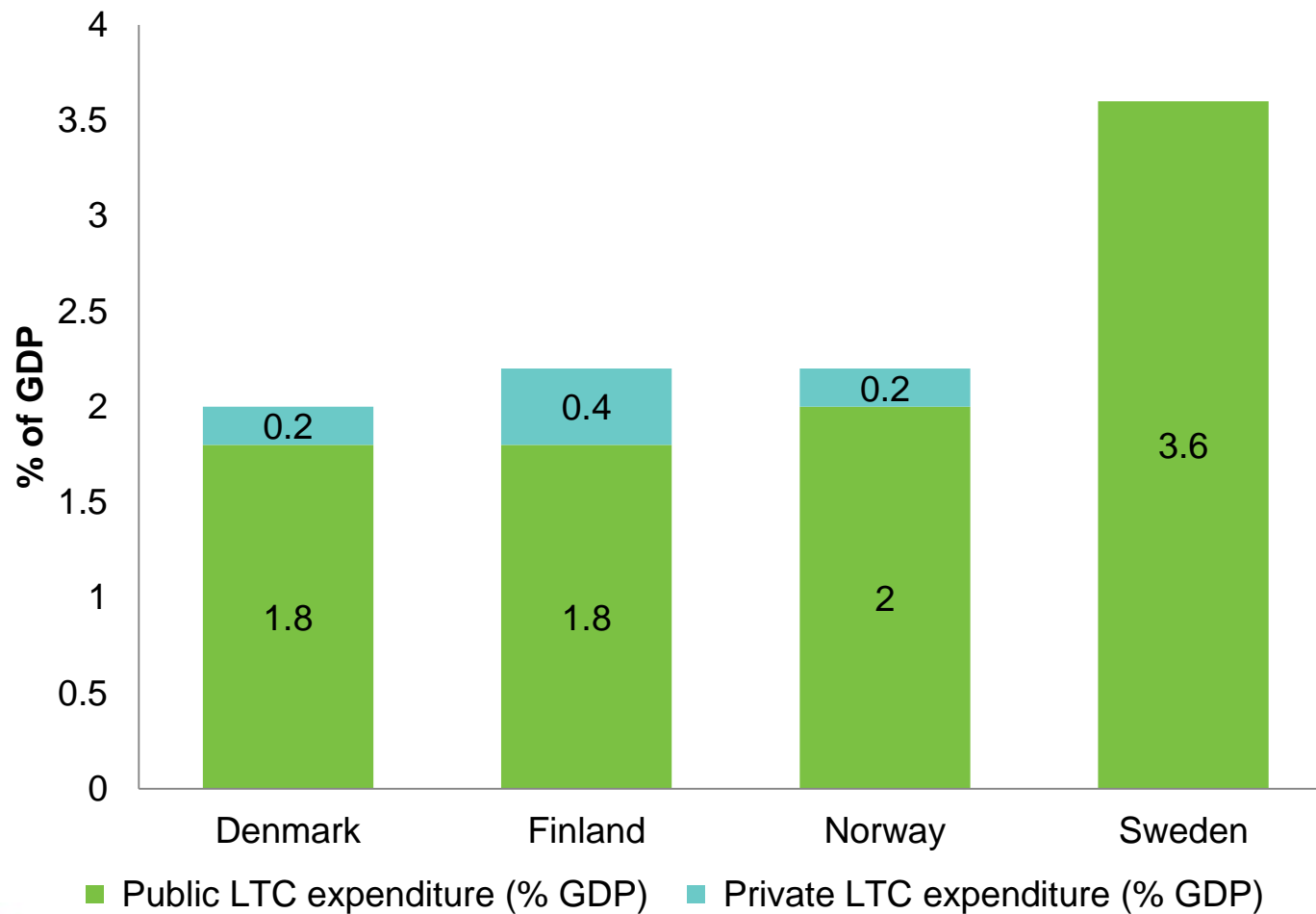
Statistics Denmark 2012

Share of public/private home service hours given to older people (65+) in Sweden 2007-2011



Socialstyrelsen 2012

Public and Private LTC Expenditure 2008 (% of GDP)



OECD 2012

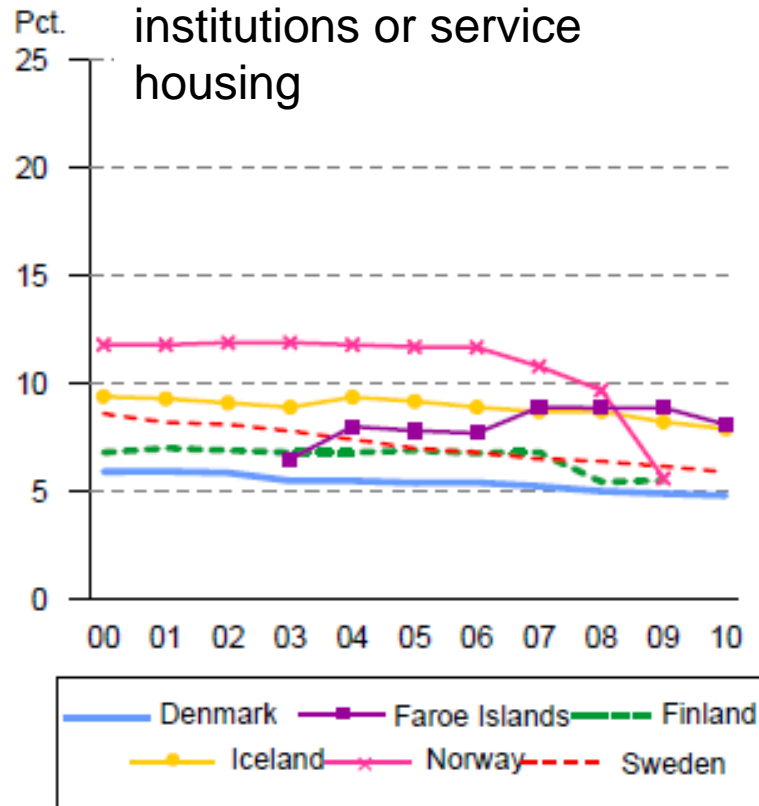
Reforms on targeting and balance of care

- Shift from institutional LTC toward **care at home -policy** goal in all four countries since early 1990'ies
- **Stricter targeting** in all four countries, especially Sweden and Finland.
- LTC is increasingly being targeted to the oldest and the frailest. Less and less people are receiving more and more care.
- LTC systems focus on giving intense care to the **most needy**, those with moderate or low needs become the "victims" of increased targeting.

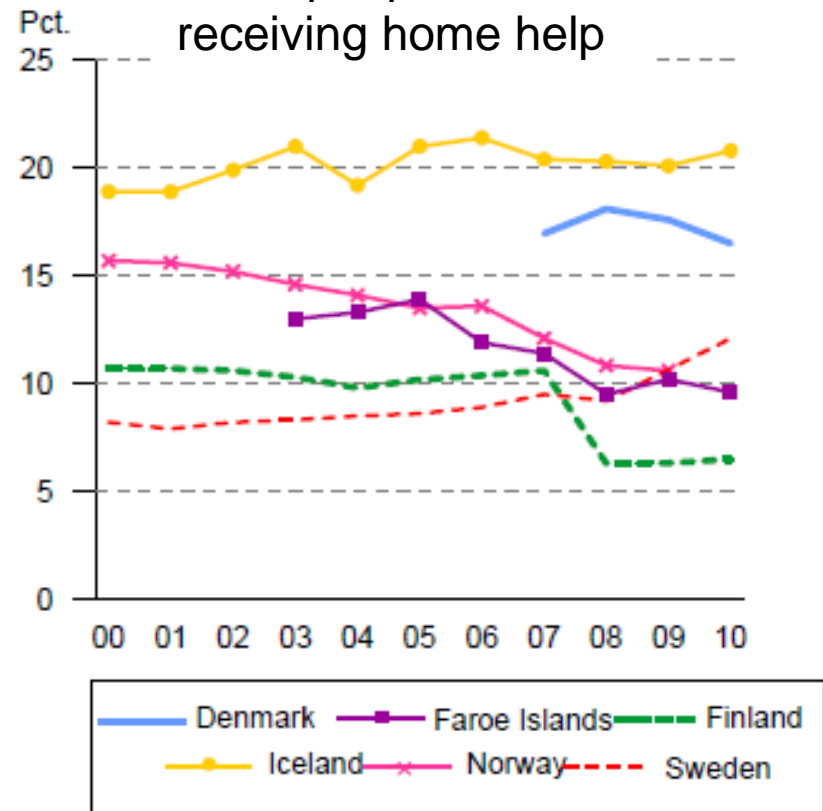
How the targeting and emphasis on home care are displayed in the statistical evidence?

Declining coverage of LTC 2000-2010

Older people living in institutions or service housing



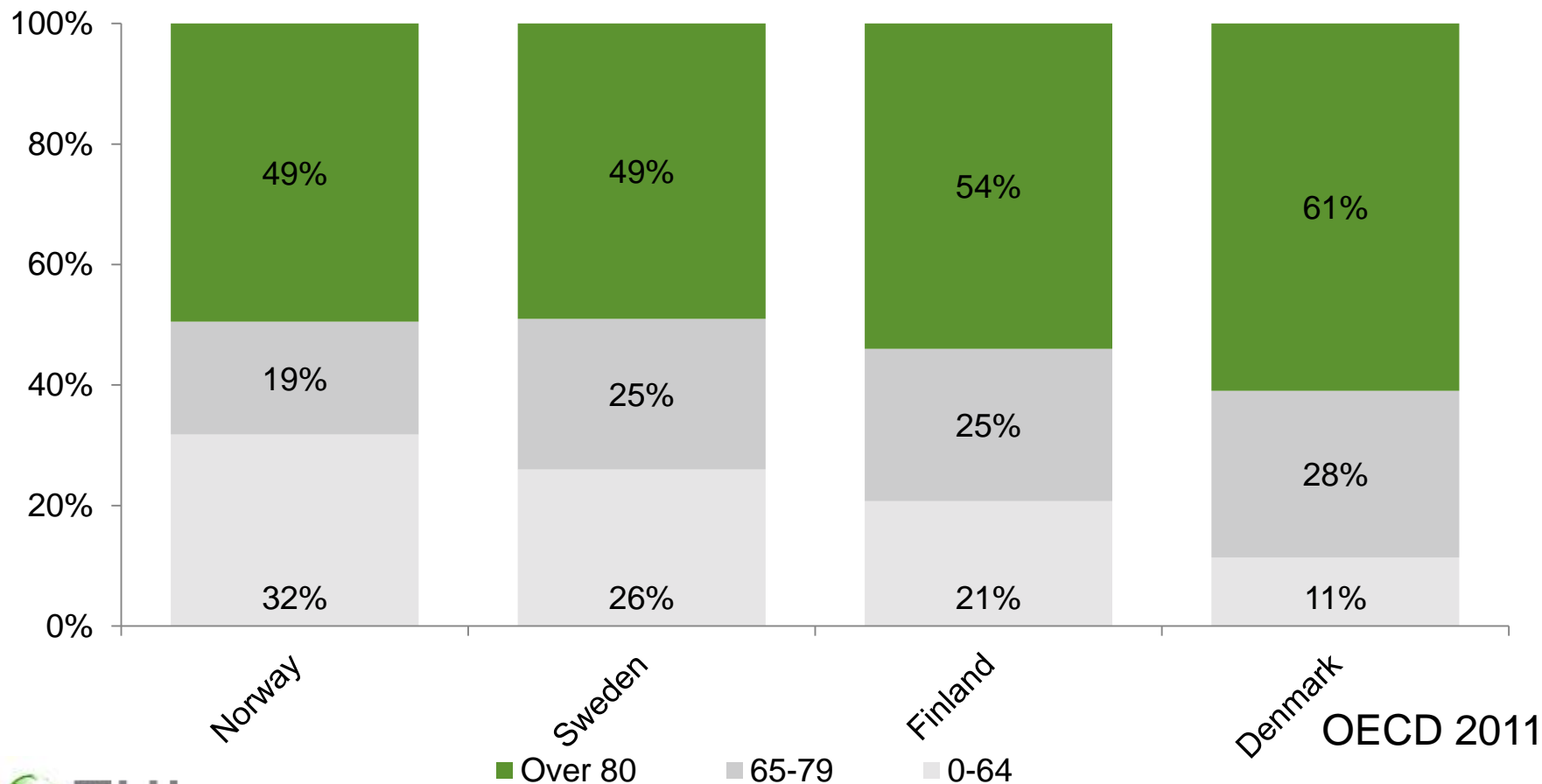
Older people receiving home help



NOSOSCO 2011

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The share of total LTC users by age group, 2008



De-institutionalization has taken place

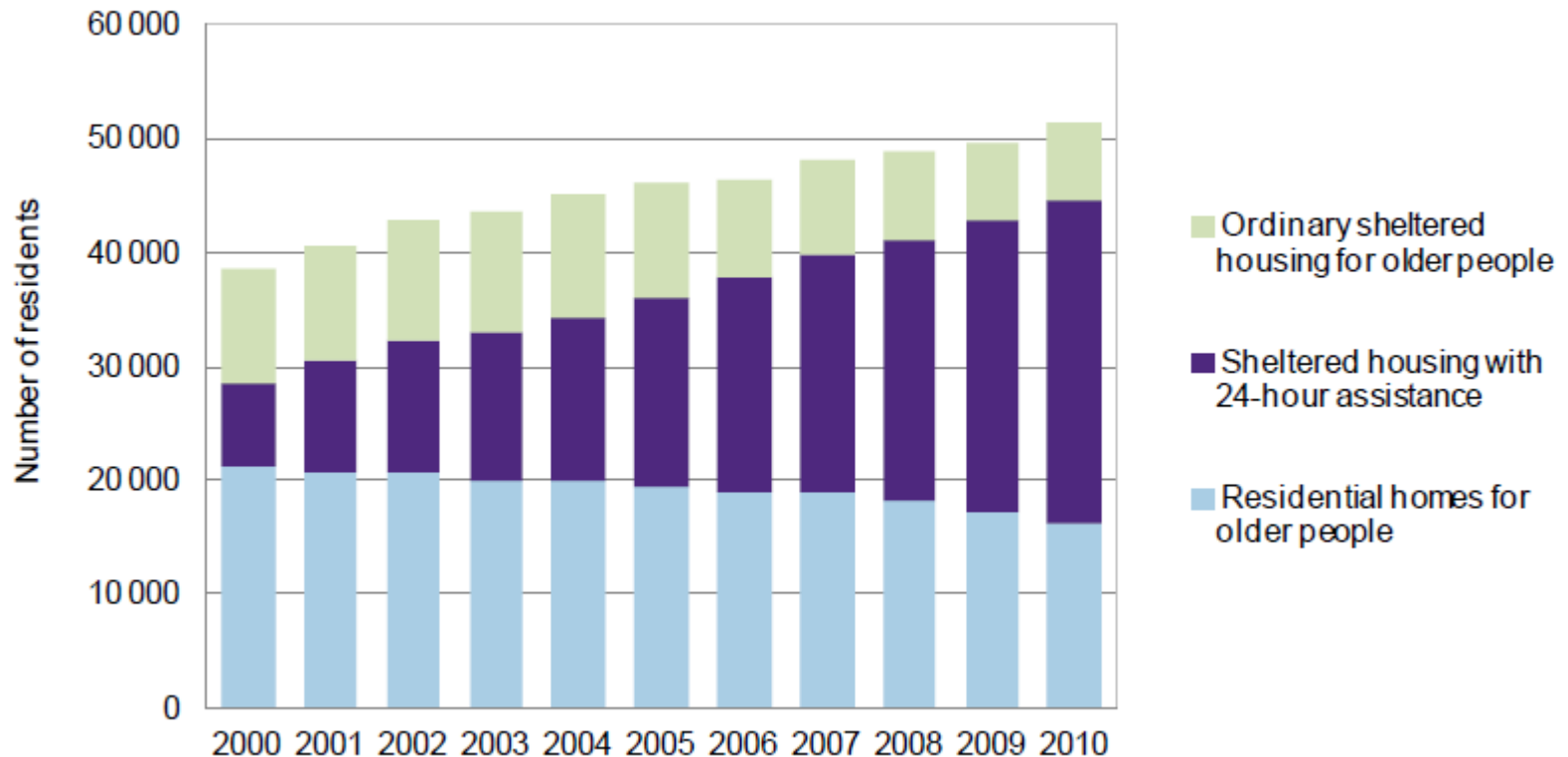
Coverage of institutional care and service housing, share of people aged 65+
(NOSOSCO 1998 and 2010) *people aged 67+

	Denmark	Finland	Norway	Sweden
1996	8,4*	6,5	9,4	8,2
DK, SE: 2010 FI, NO: 2009	4,8	5,5	5,6	5,9

- De-institutionalization has taken place in all 4 countries
- Denmark progressed furthest, no traditional nursing homes built since 1987
- Finland has smallest decrease as biggest decrease took place already in 1990-1995, the years of “Great Depression”

Changing forms of residential care in Finland

Institutional care and service housing in social care for older people



SVT, Sosiaalihuollon laitos ja asumispalvelut
2010

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Declined coverage of HC does not compensate for declined IC

Coverage of home care, share of people aged 65+ (NOSOSCO 1998 and 2010)

	Denmark	Finland	Norway	Sweden
1996	22,6	11,7	15,6	11,2
DK,FI: 2010 NO: 2009 SE: 2008	16,5	6,5	10,6	9,2

- Opposite to the policy goals, also home care coverage has decreased in all four countries
- Targeting for most needy implies more dependent clients and need of more resources

Expenditures reflect policy goal only in DK

% of total LTC expenditure	Residential care	Home care	Cash benefits
Denmark	26.7	73.3	..
Finland	69.0	31.0	..
Sweden	58.7	38.1	3.3

Shrinking public provision is reflected also in dualisation and refamilialisation of LTC

Care dualisation

- Decreasing coverage of home care is **affecting different groups** of older people differently
- Those with higher educational background seem to turn to the markets
- Those with lower education to family and friends as sources of help

Swedish evidence of care dualisation

Proportions receiving help from	<u>Older people with compulsory education only</u>		<u>Older people with more than compulsory education</u>	
	1988-1989	2004-2005	1988-1989	2004-2005
Publicly funded home care services (public or private)	46.9	40.9	44.4	37.8
Non-residing family or friends	43.4	57.7	32.7	37.3
Reported to have care needs and purchased care at the private market		6.9		16.7

Refamilialisation of LTC

- Decrease of LTC been compensated by increase in family care > **shifting the responsibilities to families**
- All have some kind of a **home care allowance** scheme, Finland on a legislative base since 1982
 - Financial compensation, support services, respite care etc.
- The level of financial compensation is the highest in Denmark, the lowest in Norway
- Finland has broad range of measures in use
- Great within-country and between-countries **variations**

Recipients of Home Care Allowance in Finland

	65+	75+	85+
1990	2,0	3,3	6,6
1995	1,5	2,7	5,0
2000	1,8	3	5,3
2005	2,4	3,7	6
2011	2,7	4,4	6,1

- Only small part of the informal carers receive HCA
 - Strong political tendency to support informal care and improve the position of informal caregivers
 - National development program under way
- SOTKANet 2011

Reforms to strengthen the client status and quality of LTC started early nineties and have continued up today < marketization pull

Reforms improving the status of care recipient

Sweden	Finland	Norway	Denmark
<p>1994 LASS</p> <p>1999 Lex Sarah</p> <p>2012 Older couples' right to live together</p> <p>2014 Regulations for amount of personnel in dementia care</p> <p>No comprehensive patient rights legislation, setting obligations to care personnel rather than providing actual client rights</p>	<p>1993 Comprehensive patient rights act</p> <p>2006 Social services needs assessment for the older person within 7 days</p> <p>2011 Right to move and get care in that municipality</p> <p>Act of Old Age Services currently under preparation, into force gradually from 1st July 2013</p>	<p>1991 Social Service Act: procedural rights</p> <p>2001 The Patient Act</p>	<p>1995 Provision Contracts Act</p> <p>1996 Law on Preventive Home Visits</p> <p>1998 Patient Rights Act</p> <p>2000 Flexibility of home help service allocation</p> <p>2009 Care Home Guarantee</p>

Quality programs in LTC

- Denmark and Norway have comprehensive quality programmes for the whole healthcare sector
- Sweden and Finland have introduced programs **specifically aimed at improving quality of LTC**
- Currently no legislation concerning service quality, but recommendations and national guidelines only
- In Finland, the new Act on Support and Services for Older People will include quality regulations from 2013

Means to improve targeting

- Eligibility for care shall be based on **proper needs assessment**
- Care shall be delivered based on **individual care plans**, which are obligatory in Sweden and Denmark, in Finland from 2013
- **Preventive home visits** in use in DK and in FI
 - In Denmark, two 'preventive visits' per year to each person aged 75 or older required by law.
 - In Finland, those aged 75 or older are entitled to a social services needs assessment within seven days, in urgent situations immediately.

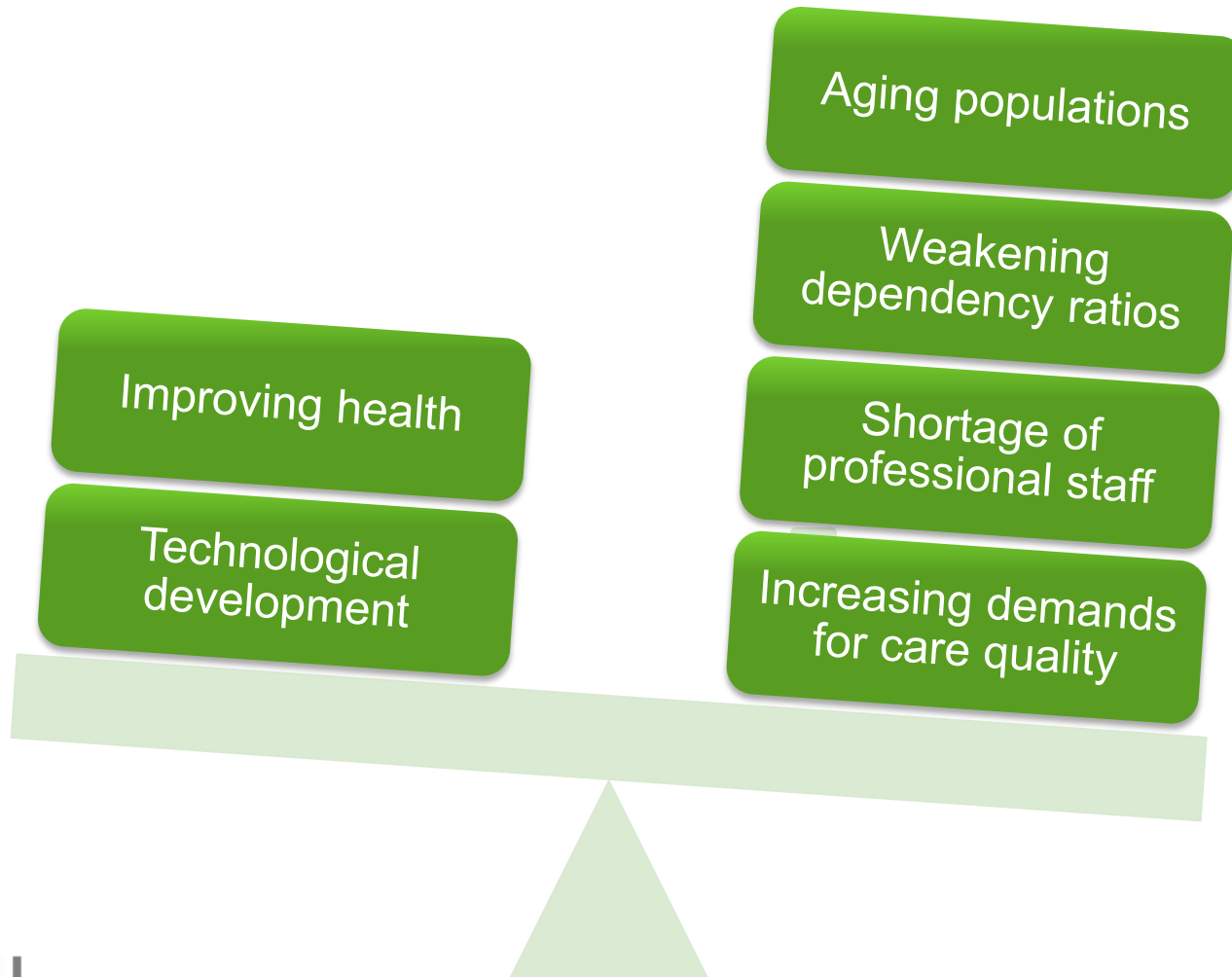
Research evidence: What say older people and care personnel?

- OP generally are **satisfied** with care and better options for choice.
- **Quality of care** is heavily debated and so is the accessibility and sometimes affordability of care.
- Connections with quality of care are complex but do not show evidence that NPM has provided worse results; often the connection is clear between **QoC and good management** practices.
- Quality systems have caused also more **bureaucracy**.
- **Scarcity of resources** seem to be more the problem than NPM; savings have been hard at least in Finland.
- In Finland: the 10 years debated **Act on Care of Older People** comes into force in July 2013.

Future Challenges



Future challenges

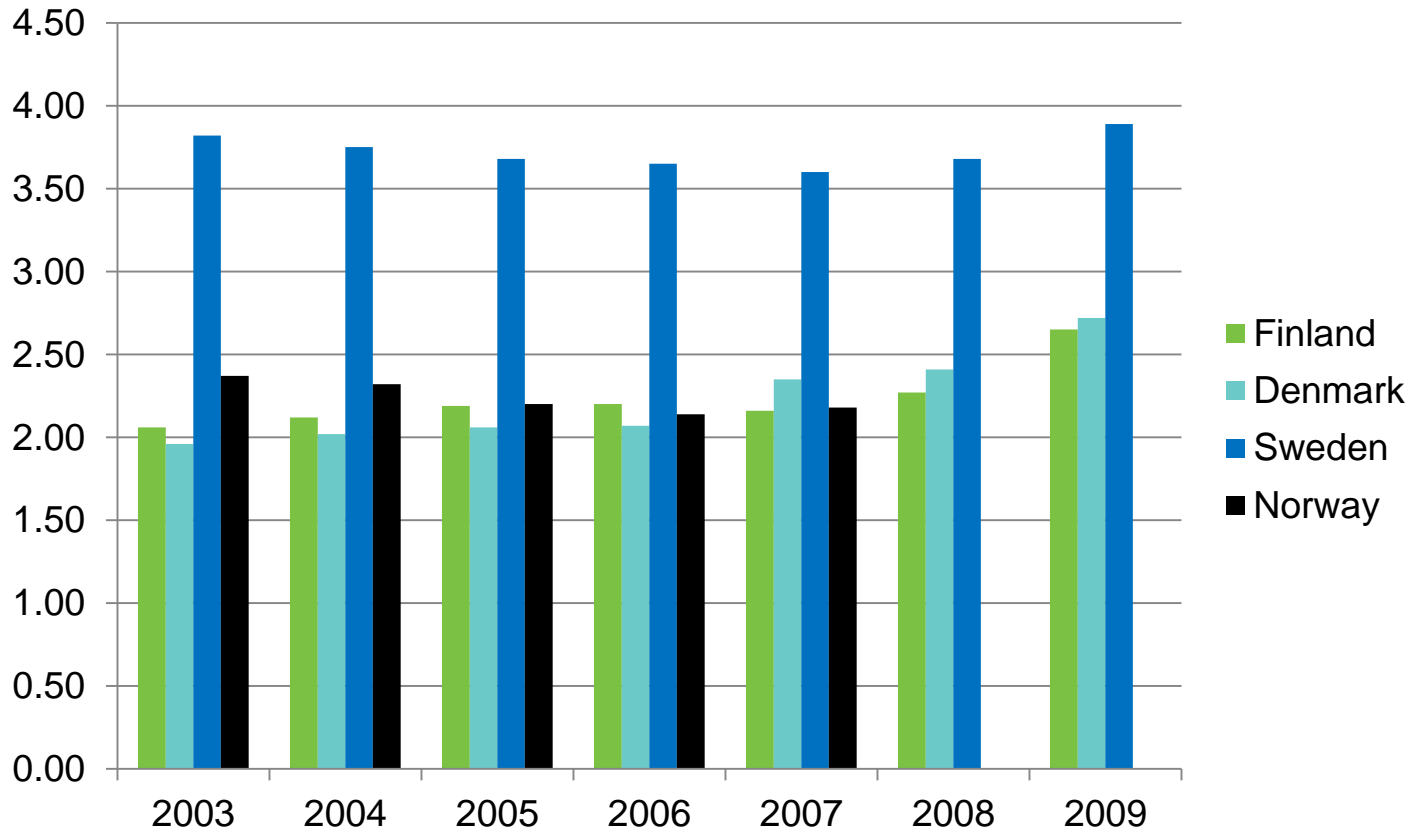


Old age dependency ratios

	Denmark	Sweden	Finland	Norway
2010	24,9	27,7	25,6	22,5
2030	37,0	37,2	42,7	33,0

Eurostat 2012

LTC expenditure 2003-2009, percentage of GDP, increases prognosed by 2050 for all countries



Solutions

Sustainable financing
e.g. by longer working careers

Better coordination and spreading best practices



Investing in preventive and QoL improving measures

Increased service efficiency and decreased care demands



Conclusion



Dismantling the Nordic system?



- **universalism** uncontested principle
- **needs tested** uncontested principle, but increased targeting with tendency to exclusion of lower demands
- **tax-financed** uncontested basic public financing, but tendency to increase individual payments and mixed provision

Dismantling the Nordic system?



- **decentralisation** modified principle to adjust to new economies of scale of public administration
- **public provision** uncontested principle of public responsibility, but introduction of new public management with mixed provision and quality control

Dismantling the Nordic system?



- **service-orientated system**

basic approach maintained,
but some change to personal
budgets/vouchers for incentives
and to allow more flexibility for
differentiated needs

- **support of living at home**

strengthened principle respecting
changing choices and new life styles
and exploiting the opportunities created
by service flexibility and
new technologies

Dismantling the Nordic system?

- No

The basic integrity of the Nordic system with principles of universalism and equity is still maintained.

- But

Nordic societies have started to adjust to the challenges of demographic change in a globalising world and to balance between economical and social sustainability, and this matters also the LTC system.



**Thank you for your
attention!**



15.10.2012

Esityksen nimi

NA

