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# The Association of Local and Regional Authorities

- Represents as is owned by and <u>represents municipalities / local</u>
   authorities that provide basic public services for their residents, the
   most important of which relate to social welfare and health care,
   education and culture, the environment and technical infrastructure
  - » Some 432 000 employees provide services for municipal residents, more than 200 000 employees working in the field of social welfare and health care
- Protects the interests and promotes development of Finnish municipalities and provides services for them and for the entire local government sector
  - Co-operates with regional councils, hospital districts, special care districts and other municipal organisations
  - Co-operates with national authorities such as <u>THL</u>, the Institute of Social and Welfare (in the deployment of the national strategy of eHealth, <u>eArchive</u> etc.)
  - Maintains and promotes the usage of <u>ICPC in Finland</u>, and hosts the ICPC Expert Group



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- The Finnish health care system today
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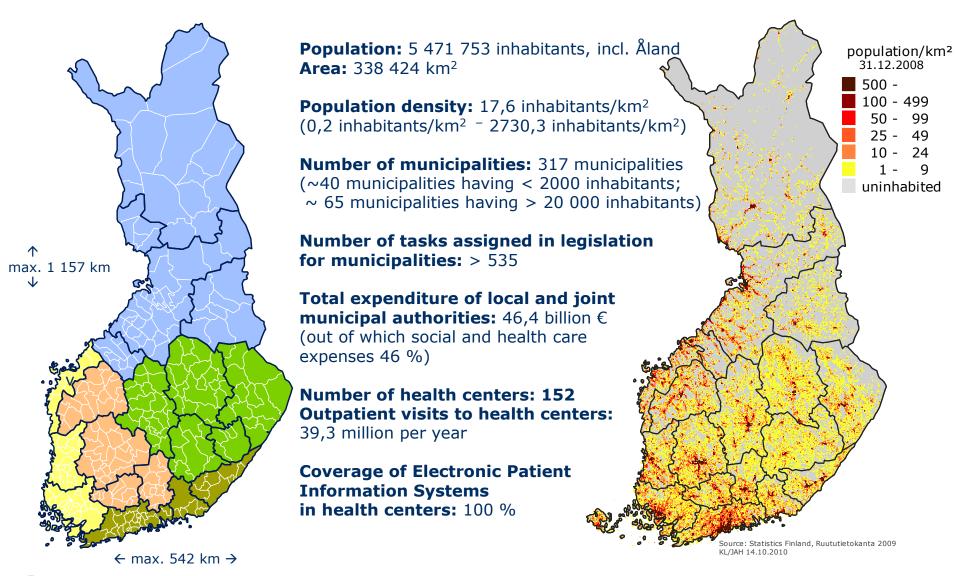


# Some facts about Finland





### Some facts about Finland





## **Examples of differences between municipalities**

	SMALLEST		MEDIUM	LARGEST		WHOLE COUNTRY
POPULATION (31.12.2013)						5 451 27
	Sottunga (Åland Islands)	100	5 829	Helsinki	612 664	Average 17 035
AREA (1.1.2014), km2	, , , , , , , , , , , , , , , , , , ,					303 891 Average
	Kauniainen	5,9	540	Inari	15 053	
POPULATION DENSITY (1.1.2014),		<u>'</u>				
resident/area km2	Savukoski	0,2	10,8	Helsinki	2 866	17,9
AGE STRUCTURE (31.12.2013), %						
0–6 years	Sottunga (Åland Islands)	0	7	Liminka	17	7,2
7–14 years	Sottunga (Åland Islands)	0	8,5	Liminka	18	8,9
15-64 years	Luhanka	49,1	59,9	Helsinki	70,1	60,1
65-74 years	Liminka	4,8	12,7	Hailuoto	20,6	12,7
75-84 years	Liminka	2,6	7,8	Luhanka	14,8	7,9
85- years	Kempele	0,8	3,1	Sottunga (Åland Islands)	11	
DEMOGRAPHIC DEPENDENCY RATIO 2013						
(under 15 year-olds + over 64 v./15-64 v.)	Helsinki	42,6	67	Luhanka	103,5	55,8
FOREIGN-LANGUAGE POPULATION (31.12.20	13), %					
	Reisjärvi	0,2	1,7	Vantaa	13,2	5,3
ECONOMIC STRUCTURE 2011, %						
Agriculture and forestry	Helsinki	0,2	9,5	Lestijärvi	37,1	3,5
Secondary production (manufacturing + constru	Kökar (Åland Islands)	3	25,1	Pyhäntä	43,8	
Services	Pyhäntä	41,7	63,3	Helsinki	92	
JOB SELF-SUFFICIENCY 2011, %						
•	Lemland (Åland Islands)	30,8	86,55	Maarianhamina (Åland Islan	177,8	100
ECONOMIC DEPENDENCY RATIO 2012, %						
	Jomala (Åland Islands)	92	125	Kivijärvi	234	132
Persons with educational qualification 2012	, %					
of 15-year olds and over	Luhanka	49,1	62,7	Kauniainen	80,2	68,5
Persons with tertiary degree 2012, %						
of 15-year olds and over	Kivijärvi	10,1	19,8	Kauniainen	56,8	28,7
				Source: Statistics Finlar	nd, Land Su	rvey of Finla



The Finnish health care system today



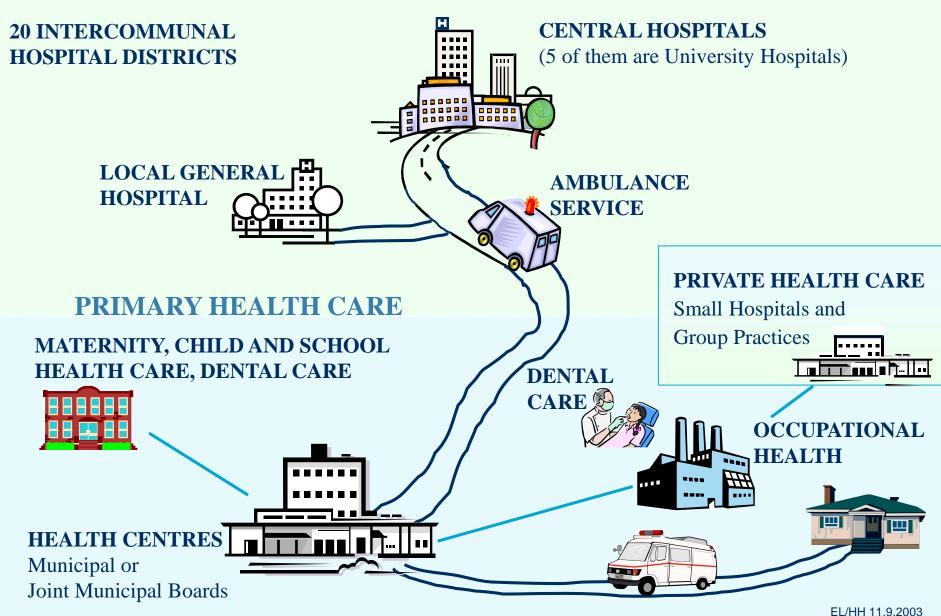
# Health care system in Finland

- Finland offers universal coverage of a comprehensive range of health services
- Health services are mainly funded through taxation
  - Health services rely on public provision of care
- Municipalities play a key role both in the financing and in the provision of care
- Hospital services are centralized within 20 districts (5 university hospital districts) which are formally under the control of the municipalities
- All regular residents in Finland are entitled to sickness insurance benefits (paid by KELA, the Social Insurance Institution of Finland)
  - » Covers daily sickness benefit and rehabilitation allowance
  - » Reimburses small amount of private medical and dental fees, laboratory and treatment costs, pharmaceutical expenses, travel expenses related to treatment



### **HEALTH CARE SYSTEM IN FINLAND**

### SPECIALIZED HEALTH CARE



# **Hospital Districts**

- 20 hospital districts
- each municipality must be a member of a hospital district and the municipalities own the hospitals
- the decision-making body is the federation council (central council), which consists of the member municipalities' councillors
- purpose is to provide specialized care services
- the patients go to the hospital with a referral
- the municipalities pay the patients' costs after treatment, patients pay client fees
- responsible for the research, development and training functions with the health centers



# Local authorities provide services for all their residents

#### Social welfare and health care services:

- 39.3 million outpatient visits to health centres
- 5.7 million care days in health centres
- 8.1 million outpatient visits in specialised health care
- 4.7 million care days in specialised health care
- 209 000 children in municipal day care
- 17 400 child welfare clients placed outside the home
- 81 500 children in child welfare open care
- 36 000 older people in municipal sheltered housing
- 64 000 older people receiving regular home care
- 128 000 service recipients under the Services and Assistance for the Disabled Act
- 39 500 recipients of informal care support
- 239 200 households receiving social assistance.

Source: The National Institute for Health and Welfare, Statistical Yearbook on Social Welfare and Health Care 2012; the information dates from 2011



Organisation of primary care and social welfare services 2015

Municipalities total, mainland Finland

**Municipality arranges the services** 

Local gov't co-management areas, total

**Health centres, total** 

Maintained by municipalities Maintained by joint municipal authorities Maintained by host municipalities

Health centres

Fewer than 20 000 residents Over 20 000 residents 301

89 municipalities,56% of the population

63, 212 municipalities,44% of the population

**152** 

89

31 (128 municipalities)

32 (84 municipalities

76

76



Arranged by joint municipal authority

Arranged by host municipality

Kuntarajat © MML 2015 Karttakuva © Kuntaliitto/MS



Special Catchment Areas (5) and Hospital Districts (20) in 2015, population 31.12.2014

#### HYKS erva

Helsinki ja Uusimaa Etelä-Karjala Kymenlaakso

#### KYS erva

Pohjois-Savo Etelä-Savo Itä-Savo Keski-Suomi Pohjois-Karjala

#### OYS erva

Pohjois-Pohjanmaa Kainuu Keski-Pohjanmaa Lapin Länsi-Pohja

#### TAYS erva

Pirkanmaa Etelä-Pohjanmaa Kanta-Häme Päijät-Häme

#### TYKS erva

Varsinais-Suomi Satakunta Vaasa

#### **Mainland Finland**

Åland TOTAL

#### 1 904 062 inhabitants, 39 munipalities

1 599 390 inhabitants, 24 municipalities 131 764 inhabitants, 9 municipalities 172 908 inhabitants, 6 municipalities

#### 816 405 as. 67 kuntaa

248 407 inhabitants, 19 municipalities 103 873 inhabitants, 4 051 inhabitants, 251 178 inhabitants, 168 896 inhabitants, 14 municipalities

#### 741 897 as. 68 kuntaa

405 635 inhabitants, 76 119 inhabitants, 78 395 inhabitants, 118 145 inhabitants, 63 603 inhabitants, 63 603 inhabitants, 76 119 inhabitants, 77 municipalities 78 municipalities 79 municipalities 70 municipalit

#### 1 110 996 as. 67 kuntaa

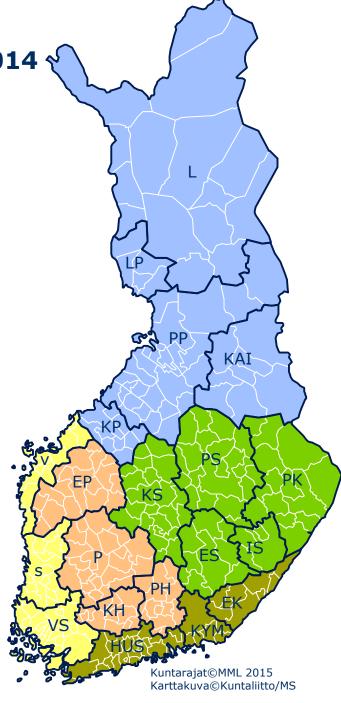
524 447 inhabitants, 23 municipalities 198 242 inhabitants, 19 municipalities 175 350 inhabitants, 11 municipalities 212 957 inhabitants, 14 municipalities

#### 869 477 as. 60 kuntaa

475 842 inhabitants, 28 municipalities 223 983 inhabitants, 19 municipalities 169 652 inhabitants, 13 municipalities

#### 5 442 837 inhabitants, 301 municipalities

28 916 inhabitants, 16 municipalities 5 471 753 inhabitants, 317 municipalities

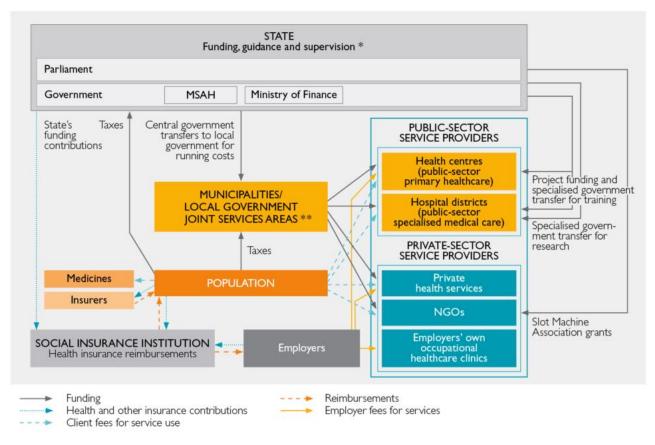


# **Expenditure on Health and Funding of Health Care**

- The total health expenditure was 18.5 billion euros (2013)
  - » Specialized health care 6.8 billion €
  - » Primary health care 3.8 billion €
  - » Consumption of pharmaceuticals and other medical nondurables in outpatient care 2.4 billion €
- Financing (2013)
  - » Costs for health care 8.6 % of the Gross National Product
  - » Public financing 75.6 %
    - 24.3 % State (tax)
    - 37.7 % Municipalities (tax)
    - 13.6 % Social Insurance Institution of Finland (KELA)
  - » Private financing 24.4 %
    - 18.2 % households
    - 6.2 % other contributions (private insurance, accident insurance, employers)



# Organisation, funding, provision and supervision of health services in Finland



<sup>\*</sup>The Regional State Administrative Agencies, National Supervisory Authority for Welfare and Health (Valvira) and The Finnish Medicines Agency (Fimea) supervise healthcare. The following expert institutes are in charge of information guidance: the National Institute for Health and Welfare (THL), the Finnish Institute of Occupational Health (TTL) and STUK - Radiation and Nuclear Safety Authority, Finland.

<sup>\*\*</sup> Municipalities are responsible for organising the health services required by the population. Primary healthcare should be arranged in municipalities, or local government joint services areas, with at least around 20,000 inhabitants. In fulfilling its responsibility for organising specialised medical care, each municipality must belong to a hospital district.

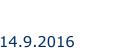




# **Developments in Health Centers**

- Rising role of nurses
  - » Responsible for the care process (coordination of services for chronic patients)
- Services for chronic patients developed
  - » Coordinated, planned care, self management
- Segmentation of clients
  - » Patients with chronic conditions vs. short episodes
- Several ways to keep the patients out of doctor's appointments
  - » E-Health (own lab results, communication...)
  - » Group practice, groups for dietary or lifestyle changes
  - » Virtual consultation
- Many different models of work organization
  - » Process development





Social and health care reform in Finland



# **Social Welfare and Health Care** Reform

- There is wide political agreement on the necessity of the reform
- We need to guarantee the population's constitutional rights to social protection and access to healthcare
- The overall economic development and particularly the situation of the municipalities are facts that can't be ignored
- After reform, 18 counties are resbonsible for organising integrated social and health care services instead of municipalities





### Reform package for healthcare, social welfare and regional government

The reform will even out differences in health and wellbeing, and curb cost increases



# The Finnish model for organising health and social services and county government in the future: Healthy people, fluent services and strong economy

#### Information, digitalisation and skillful personnel make the refom possible

Citizen Functional democracy and participation

> Democracy in the Counties: county council

> > Multisectoral counties with distinct distripution of work Municipalities as local vital societies

Economic growth Regeneration

Measurements supporting and required by renewal - Entrepreneurship

Promoting health and well-being in all policies Promoting health and well-being in municipalities and counties The usage of information - Integration og information

## Public, private and third sector providers

New County
Responsibility to organise duties
Financing responsibility
Responsibility on integrated services and
functioning service chains



Workforce transfers
employees maintain their
current terms of employment
Incorporation has transition
period

costeffectiveness, The Act on effectiveness Financing of the Counties -

and cost containment Effective organising, producing and

> Multiple producers model -Same principals for public, private and third sector provision

Criteria for the

service needs

Strengthening the selfdetermination and responsibility of customer

management

User possibility to choose

possibility to

influence

Taxpayer

Alignment for preparation of the legislation for wider freedom of choice

# Health and social services and county government reform legislation creates possibilities

- Responsibility to organise health ans social services tranfers from municipalities to 18 counties
- Multisectoral county that has elected council and possibility for citizens to participate
- The Act on organising the health and social services, the Counties Act, The Act on Implementation,
   The Act on Financing of the Counties, Acts on Central Government Transfers etc.

Local and Regional Government Finland 5

### New functions of the counties as of 1 January 2019

#### Government

Decisions on healthcare and social welfare services: nationwide work division, division of duties over county borders, policies for service provision, broad-based investments, other measures needed to safeguard availability of services, steering of information management and ICT

#### Counties

authority with nationwide responsibilities

state

Regional

- · Healthcare and social welfare
- · Rescue services
- · Duties of the regional councils
- Regional development duties and tasks related to the promotion of business enterprise
- · Environmental healthcare
- Planning and steering of use of regions
- · Promotion of regional culture and identity
- · Other statutory services organised on a scale that is larger than a municipality that require deliberation

#### Collaborative catchment areas

- Centralised duties in most demanding services
- Streamlining of service structure, investments and
- Development and centres of excellence
- Emergency medical service unit
- Collaborative tasks and forum
- Cooperation agreement

#### Municipalities

- · General mandate

Service providers Public, private and third sector service providers

#### 18 counties

- Responsibility for organising services
- Responsibility for financial resources
- Determines service level and contract for arranging services
- 5 collaborative catchment areas
- 12 units with extensive service around the clock (incl. 5 university hospitals
  - **Municipalities**



- · Promotion of health and wellbeing
- · Local democracy and dynamism
- Statutory duties local tasks

INISTRY OF FINANCE



MINISTRY OF SOCIAL AFFAIRS AND HEALTH

30.6.2016

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