



Health, social services and regional government reform Equal and cost-effective services for all

The health, social services and regional government reform is one of the largest reform packages dealing with administrative structures and practices ever undertaken in Finland. The reform will affect the work of hundreds of thousands of people and the services provided for every citizen in the country. It will also have an impact on the financing, management and taxation of health and social services. The aim is to transfer the organisation of health and social services and other regional services from the municipalities to the new counties as of 1 January 2019.

The purpose of the health, social services and regional government reform is to modernise services and to improve the sustainability of general government finances. The reform creates the conditions for a future model for health and social services in Finland. The new counties will adopt the most efficient and effective practices, so that services can be produced efficiently and cost-effectively.

The aim is to narrow down the differences in people's wellbeing and to curb growing costs. The services will be integrated in a customer-centred way based on people's needs. Basic services will be strengthened and information technology will be used more effectively than today.

At present there are about 200 operators in Finland organising public health and social services (mainly municipalities). Through the reform, all public health and social services will be brought under 18 counties.

The counties are in charge of integrating the services so that they form customer-friendly and well-functioning service and care chains. This applies to public health and social services both at the basic and specialised level.

For the client, this means that well-organised services will require fewer extra visits and less waiting and queueing. Important local services

will be safeguarded and there will be a greater range of channels for service provision. The services will not always be tied to a specific location. Services can also be home-delivered and there will be electronic and mobile services.

Under the current reform proposals, the central government will finance the public health and social services, and all financing will flow through the counties to the service providers. The municipalities will no longer organise, provide or finance health and social services. The municipalities will continue, however, to have an important duty to promote health and wellbeing.

Even in the future, health and social services can be provided by public, private and third-sector operators, in other words by counties, private companies and organisations.

In its own activities, a county will be required to separate the organisation of health and social services from the provision of services. Under the current reform proposals, the counties' services will be provided by a service utility owned by the county. Counties will need to corporatise those services defined as being within the scope of clients' freedom of choice. Companies set up by the counties will be publicly owned. In other words, corporatisation does not mean privatisation.

In connection with the reform, central government steering of healthcare and social

welfare will be strengthened to provide people with equal services and curb increases in expenses.

The Government's draft proposal on the health, social services and regional government reform is being circulated for comments until 9 November 2016. After that the Government will finalise its proposal and submit it to Parliament.

More freedom of choice for clients

In the future, clients will be able to choose between public, private or third-sector service providers when they need services covered under the freedom of choice. Freedom of choice serves to create more robust services, especially at the basic level, and it provides swifter access to care. Freedom of choice will become the main principle underlying basic-level services. Where appropriate, the same principle will also be used in specialised-level health and social services.

According to the Government's position, the main means for ensuring freedom of choice in the Finnish model are:

- health and social service centres providing a broad range of basic-level services
- own care teams or health and social service stations providing a narrower range of services
- service vouchers
- personal budgeting.

The counties are responsible for making sure that public, private and third-sector services within the scope of the client's freedom of choice work seamlessly together, that information flows smoothly and that the services meet quality criteria.

Simplification of multisource financing

Simplification of multisource financing supports regional government's responsibility for organising services. Counties have overall responsibility for the financing of services and for ensuring that the money spent buys the most effective services possible.

The responsibility for reimbursement of travel costs incurred for medical care and reimbursement of outpatient treatment medicines may be transferred to the counties.



Private health insurance reimbursements will be terminated following a transitional period. The impact of freedom of choice on client charges will also be evaluated during further preparation.

The draft proposal on simplifying multisource financing and expanding freedom of choice will be presented to Parliament in the spring of 2017.



Rising costs brought under control

The reform will help to bridge a large part of the sustainability gap in general government finances. The Government aims to save EUR 10 billion, and the health and social services reform is expected to cover approximately EUR 3 billion of this sum during 2019–2029. Measures to curb expenditure are:

Different social policy methods and tools will be used in maintaining and promoting people's work ability and functional capacity.

Each county manages its services as a single entity: resources will be used efficiently and in a timely manner, service chains will function well.

Operating practices will be reformed: focus on preventive services, adoption of electronic services, promotion of self-care, support of older people's functional capacity and their opportunities to live at home, review of responsibilities between different professional groups.

Services will be provided as packages that correspond to the client's needs.

Interoperability of public information systems will be ensured.

Everyday home and work environments will be designed to support health and wellbeing.

The service network, including hospitals, will be organised regionally in a viable manner.