

# Effective Supervision in the Finnish Social and Health Reform

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# Outline of the presentation

1. Outline of the study 'Effective Supervision in the Finnish Social and Health Reform'
2. Outline of the Finnish social and health reform
3. Conclusions of the study

# National Institute for Health and Welfare (THL)

- Governmental body under the Ministry for Social Affairs and Health
- Gathers, produces and provides research-based information and expertise for decision-makers, professionals and service providers:
  - On the population's health, functional capacity and well-being
  - On the determinants and problems relating to these
  - On the prevalence of and potential to prevent problems
  - On the impact of various policy measures
- Opens up national information resources on well-being and health for research, development and guidance

# FINANCING



\*includes 64 M€ THL budget funds and 71 M€ different kinds of actions, for example government grants, vaccine procurement and forensic medicine

# PERSONNEL



# Outline of the study

- The presentation is based on a study that was conducted by National Institute for Health and Welfare as part of the Finnish Government's analysis, assessment and research activities in 2016.
- The purpose of the study was to explore what is expected from supervision of health and social services in the health and social services reform, and how to guarantee effectiveness of supervision in the changing environment.
- The principal aim of the study was to investigate the impacts of the reformed operating environment of health and social services and of the expansion of the freedom of choice of service users on the duties of the supervisory bodies.
- [http://tietokayttoon.fi/documents/10616/3866814/29\\_vaikuttava-valvonta-osana-sosiaali-ja-terveydenhuollon-uudistusta.pdf/ffe32373-6827-4ce2-a22a-60469ffff2c9?version=1.0](http://tietokayttoon.fi/documents/10616/3866814/29_vaikuttava-valvonta-osana-sosiaali-ja-terveydenhuollon-uudistusta.pdf/ffe32373-6827-4ce2-a22a-60469ffff2c9?version=1.0)

# Outline of the reform

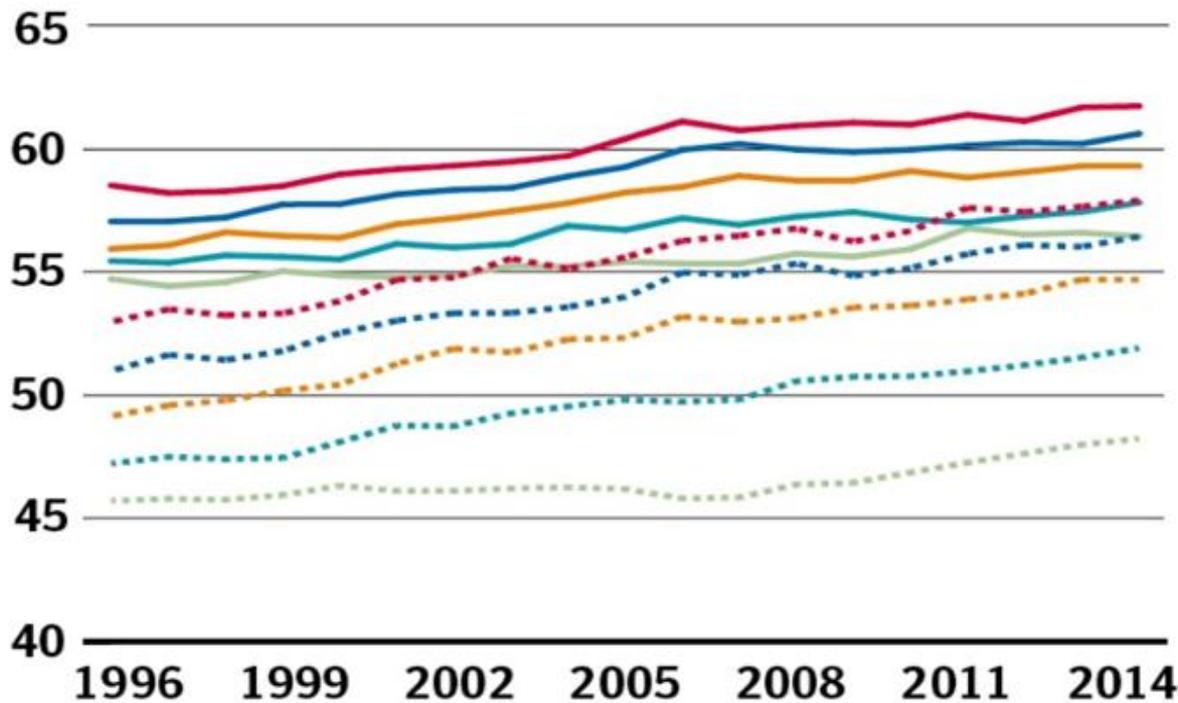
# Why the reform?

- Growing need for services especially among the ageing population and less money to finance them.
  - Access to and availability and quality of services varies in different parts of the country.
  - Small and financially weak municipalities face significant difficulties in organizing and producing services.
  - Savings of EUR 3 billion to be attained by year 2030
- These problems cannot be solved in the current system where 295 municipalities are responsible for organising services.

# Why the reform: the current system is too fragmented

- ✓ Municipalities (local authorities, 295 in mainland Finland) are responsible for arranging **health services**
- ✓ Hospital districts (20 in total) are responsible for specialized medical care. A municipality has to be part of a hospital district to arrange specialized medical care
- ✓ 5 specific catchment areas are responsible for arranging highly specialized medical care
- ✓ Municipalities are responsible for arranging **social services**
- ✓ Municipalities are members in joint municipal authorities of special welfare districts (15+1 in total) that arrange services for people with developmental disabilities

# Why the reform: socioeconomic inequalities in life expectancy persist in Finland



Life expectancy at age 25 by income 1996-2014

Solid line=women  
Dashed line=men

Lowest income quintile  
↓  
Highest income quintile

Tarkiainen et al. 2017

# Key points of the reform: new level of governance

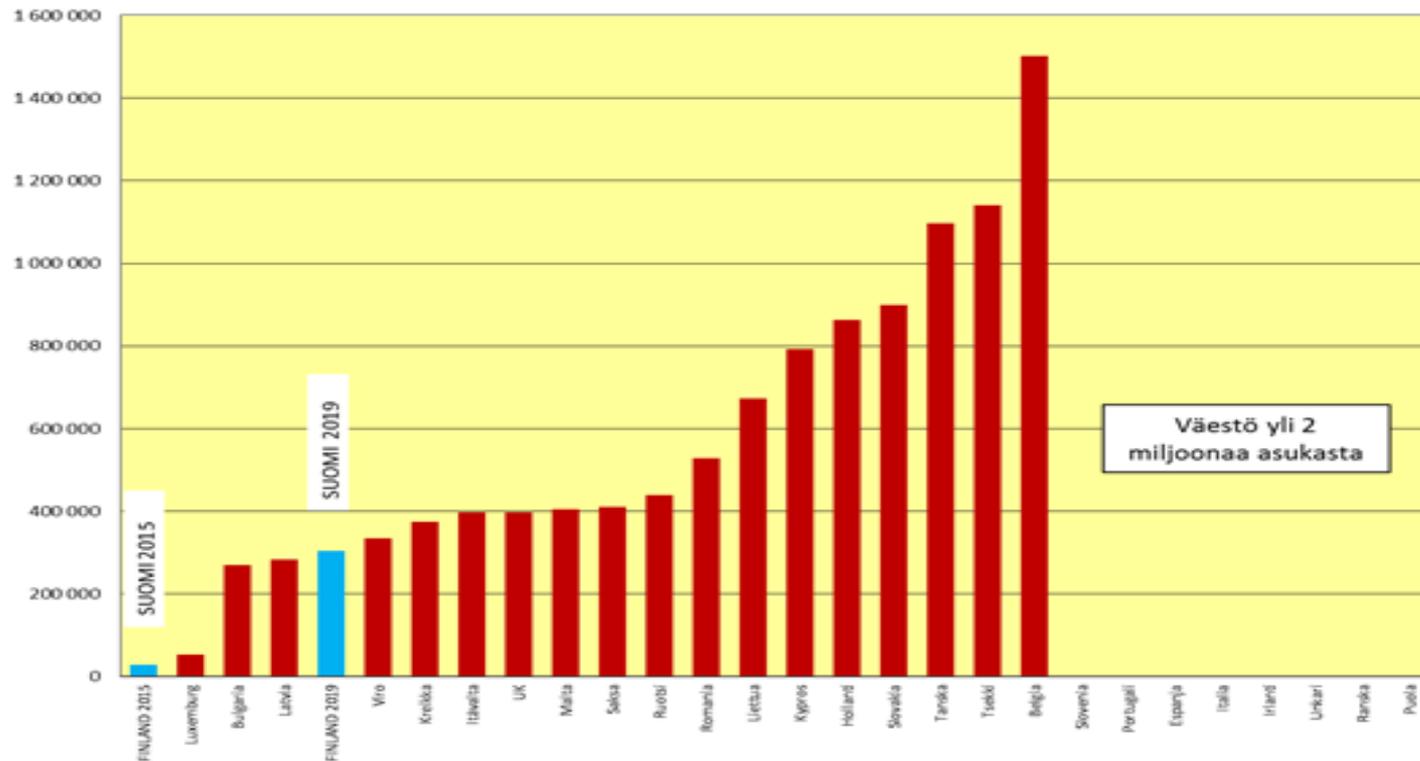
- Responsibility for organizing social and health services will be shifted from 295 municipalities to 18 counties that will be founded
  - New democratic and autonomous level of governance
  - Limited autonomy – no taxation, strong state regulation
  - Along with social and health care a number of other duties
- The state will be responsible for financing the counties and has a strong role in steering them and regulating their actions
  - Compared with the present situation, the role of the state will be stronger

# Key points of the reform: 18 counties

## New structure of health and social services



**Liitekuvio.** Terveysthuollon järjestäjän keskimääräinen väestöpohja EU-maissa (Lähde: Thomson S, Foubister T, Mossialos E. 2009. Financing health care in the European Union. Challenges and policy responses. European Observatory on Health Systems and Policies. Observatory Studies Series No 17. EU 2009.).



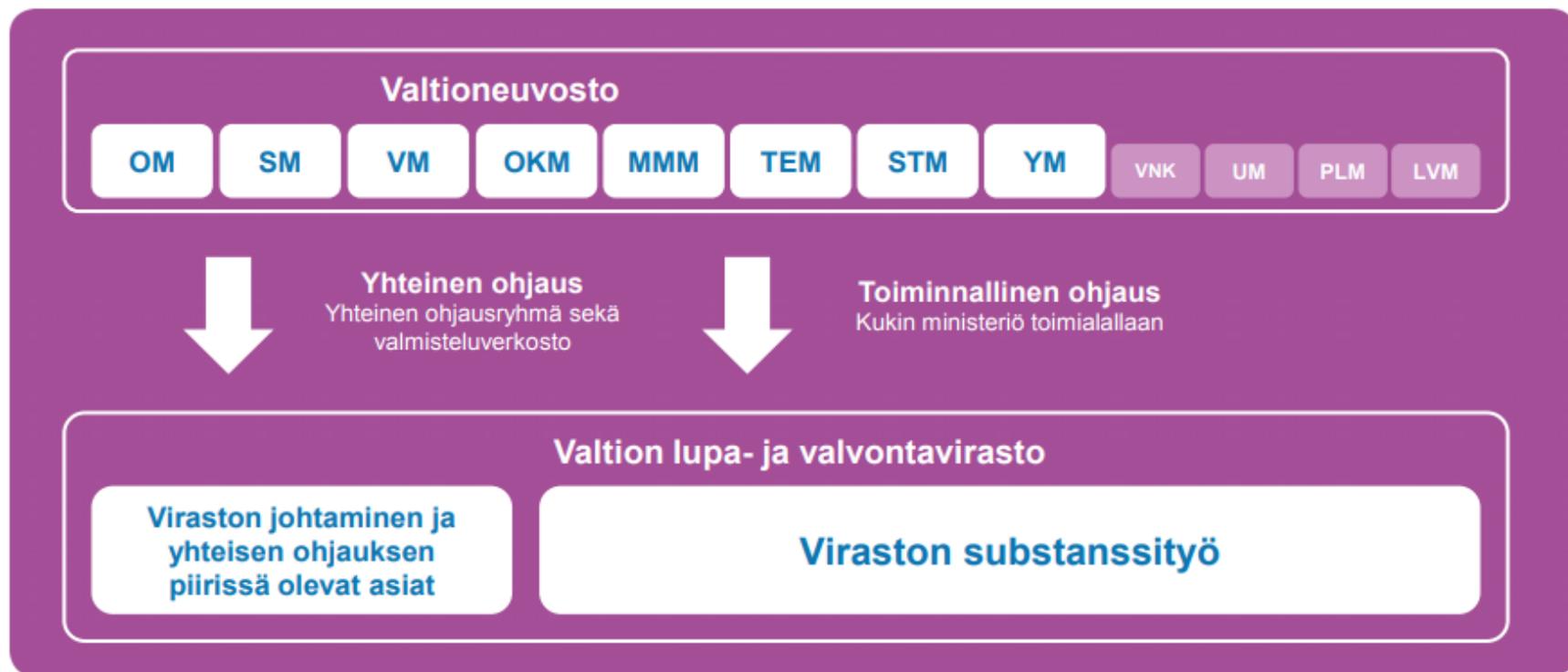
# Key points of the reform: integration and freedom of choice

- Integration of social and health care is seen as a central tool for reaching the aims of the reform
  - 10 % of population uses 80 % of social and health care costs, 5 % of population who uses social and health care services uses 57 % of social and health care costs
  - integration of services would serve the needs of these population groups and cut the costs:
    - Integration at the level of financing, organizing and producing the services
- Freedom of choice
  - Right to choose public or private health centre
  - Right to choose the provider of services with vouchers and personal budgets
- Health and social services will be provided by public, private and third-sector operators.

# Key points of the reform: new structures for supervision of social and health care

- New national supervisory authority will be established
  - National jurisdiction
  - Multisectoral: social and health care, environment, labour protection, education and culture
- Emphasis on risk-based supervision rather than *ex post facto* supervision
- Strengthening of self-monitoring as a method for monitoring and quality control

# Steering structures of the new supervision authority



# The current state of the reform

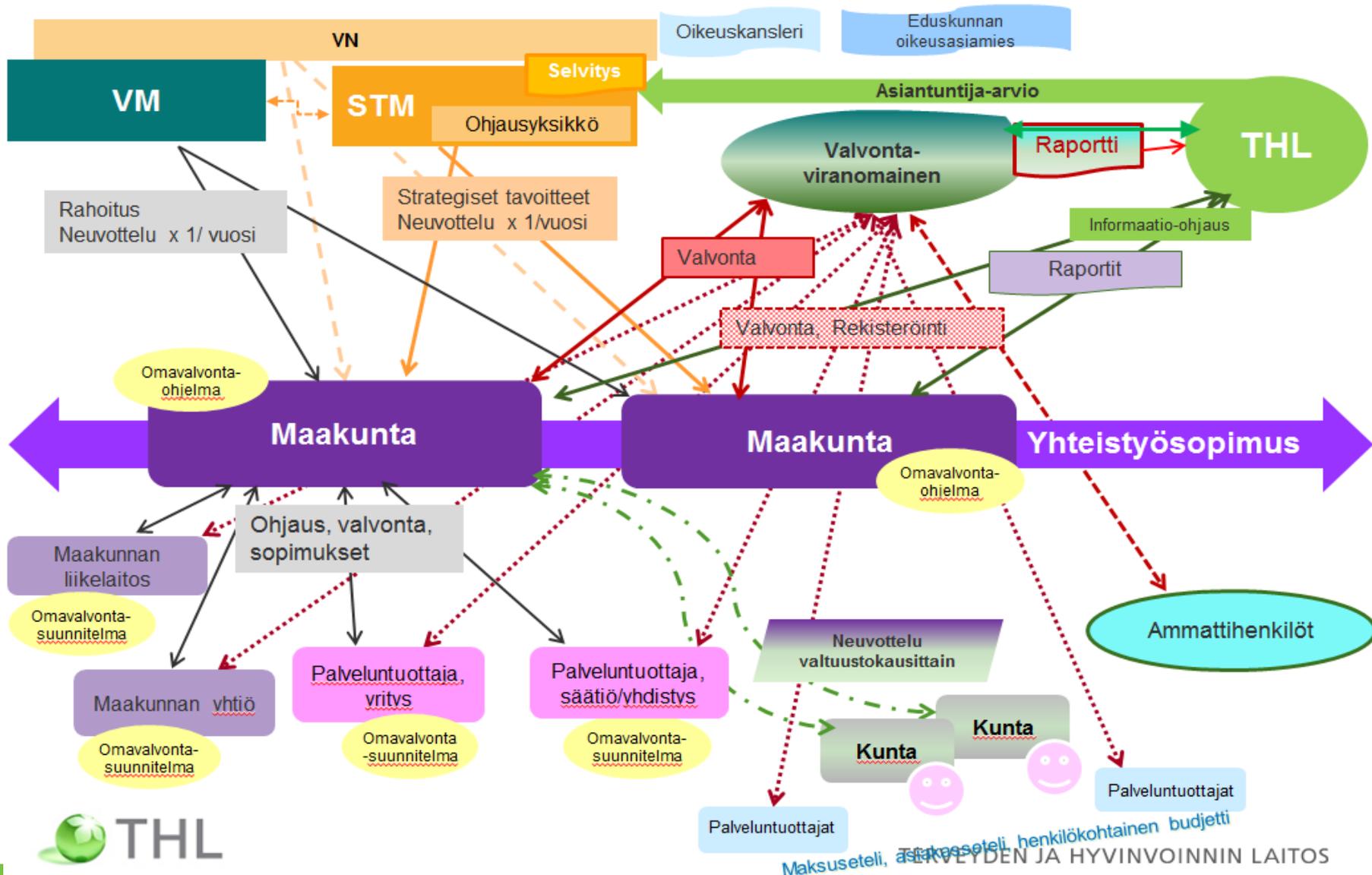
- The legislative package, which comprised of more than 40 laws, was given to the Parliament in spring 2017
- Some of the key elements of the Law on Freedom of Choice were declared unconstitutional by the Constitutional Law Committee and the draft was referred back to preparation (June 2017)
- New bill on Freedom of Choice is anticipated to be ready in autumn 2017 and will be given to the Parliament next spring
- The legislative package is anticipated to be approved by the Parliament before the summer

# Conclusions of the study

# What is expected from supervision in the new environment and how to guarantee its effectiveness ?

- The structures and processes for governing, steering, regulating, monitoring and supervising the new system will be rather complicated.
  - Ministry for Finance
  - Ministry for Social Affairs and Health
  - Supervisory authority
  - National Institute for Health and Welfare
- Smooth operation of the system requires shared aims and co-operation among the authorities involved.

# Ohjaus ja valvonta uudessa rakenteessa



- The new national supervisory authority with national jurisdiction will clarify and strengthen the structures and processes of supervision of social and health services
- Supervision of the new system is a challenging function, and its methods need further clarification.
  - How the counties *organize* services – how they use their decision-making powers?
  - How the services are *produced*?
  - Transitional period is critical!

- From the separation of the responsibility to finance services (the state), to organise services (the counties) and to produce services (counties and private companies) may follow issues which are difficult to solve in the context of supervision
  - Shifting of responsibility?
- The size of some of the counties may be too small and the resources too scarce to carry the responsibility for all the functions that are assigned to them (including self-monitoring)
- Monitoring of the market? Monitoring of the rights of 'consumers'?

- A comprehensive and systematic information base is necessary for the achievement of the aims of the reform. It is questionable whether we manage to create it before the new systems comes into operation, and this may create problems.
- Information is needed:
  - by counties for governing the system
  - by state for monitoring, steering and regulating the system, and for financing the operation of the counties
  - by supervision authority for supervising the system
  - by clients for making the choices

# Challenges?

- Finland's forthcoming health and social services reform is revolutionary in its scope and impact, even in the international context.
- It is a broad structural and functional reorganisation involving a revamp of the structures and practices of organising, providing, steering and supervising the services concerned.
- Can we do this all in by 2020?