



This project is
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European Union

**Support to Secondary Health Care Reform
in Ukraine**

**Сприяння Реформі Вторинної Медичної Допомоги
в Україні**



The project is implemented
by EPOS Health Consultants
in consortium with NICO/ECORYS

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HEALTH CARE AND MANDATORY HEALTH INSURANCE IN FINLAND

Eero Linnakko

EBA Health Insurance Conference

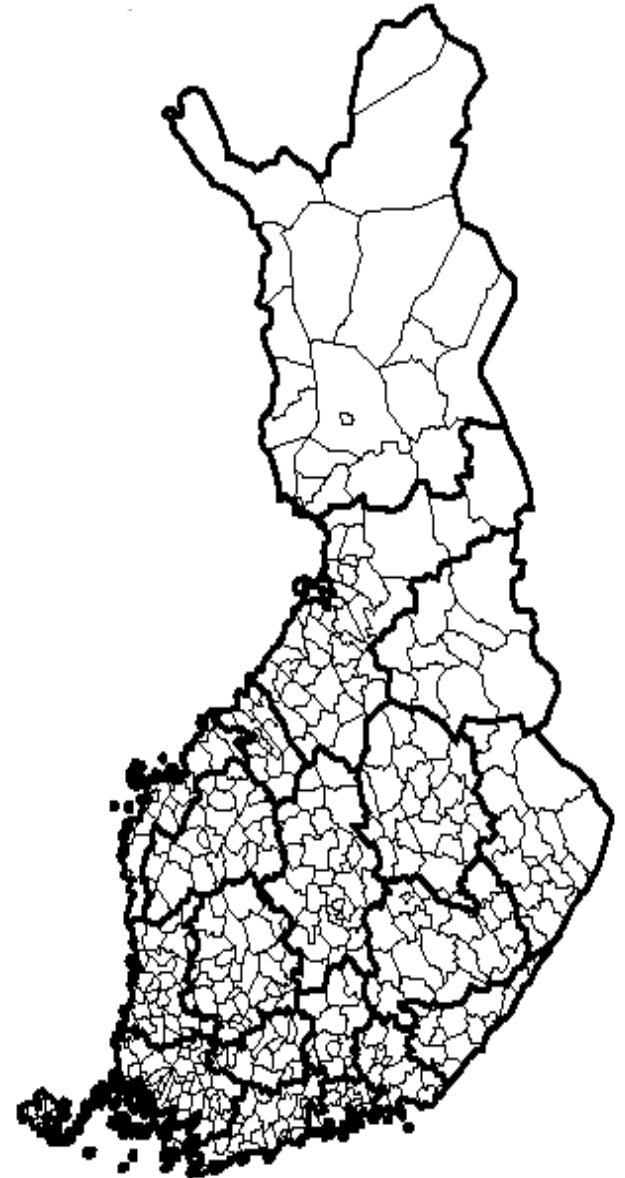
Kyiv, 15 April 2008

Where we are?



How are we governed?

- Republic
- Bilingual (Finnish/Swedish)
- Parliament 200 MPs
- 20 regions
- 431 municipalities



Legal framework for health care in Finland

- Finland's constitution (2000)
- Law on patients rights (1992)
- Waiting time act (2005)
- Primary care act (1972)
- Specialised care act (1989)
- Law on states subsidies (1993)
- Law on public purchasing(1992)
- Law on health insurance (1964)
- Public authorities have to secure adequate health services and to promote health
- Patients have right for good quality health care
- Within given time limits
- **Municipalities have to organise the primary health care for citizens**
- **Municipalities have jointly organise necessary specialised health care**
- Municipality can produce the services self or bought them from other public or private service providers
- Competitive bidding is needed if services are bought
- **Outpatient pharmaceuticals and private medical services are insured**

Average Finnish Municipality

Average population		11 596
Population density/	km ²	17,1
Average area	km ²	680

Economic structure

Agriculture and forestry%		4,7
Manufacturing	%	26,8
Services	%	66,6

Age structure

0–14 year-olds	%	17,9
15–64 year-olds	%	66,9
65 and over	%	15,2

Local tax rate (% of incomes)		18,03
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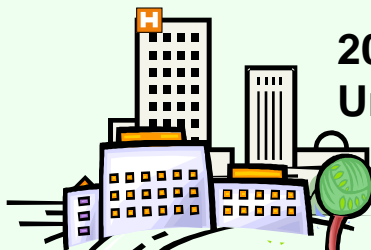
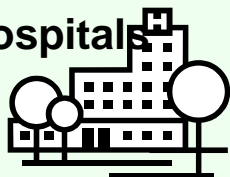
Health Care System in Finland

Specialised hospital care

20 Hospital Regions

20 Central Hospitals (5 of them are University Teaching Hospitals)

23 General Acute Hospitals

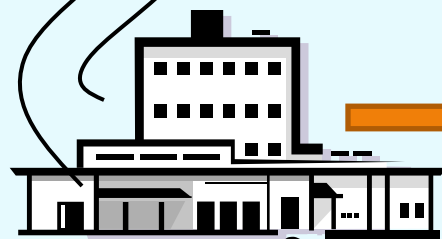


Ambulance service

Private Health Care
Small hospitals and
surgeries

Primary Care

School Health Care



260 Health Centres

Occupational health care



Health Service Resources

Number of acute care hospitals	47
Total number of beds /1,000 pop	7.6
Total number of acute beds/1,000 pop	3.6
Physicians/1,000 pop	3,8
Registered nurses/1,000 pop	13.6
Health expenditure (%GDP)	7.5
Average length of stay in acute hospitals	4

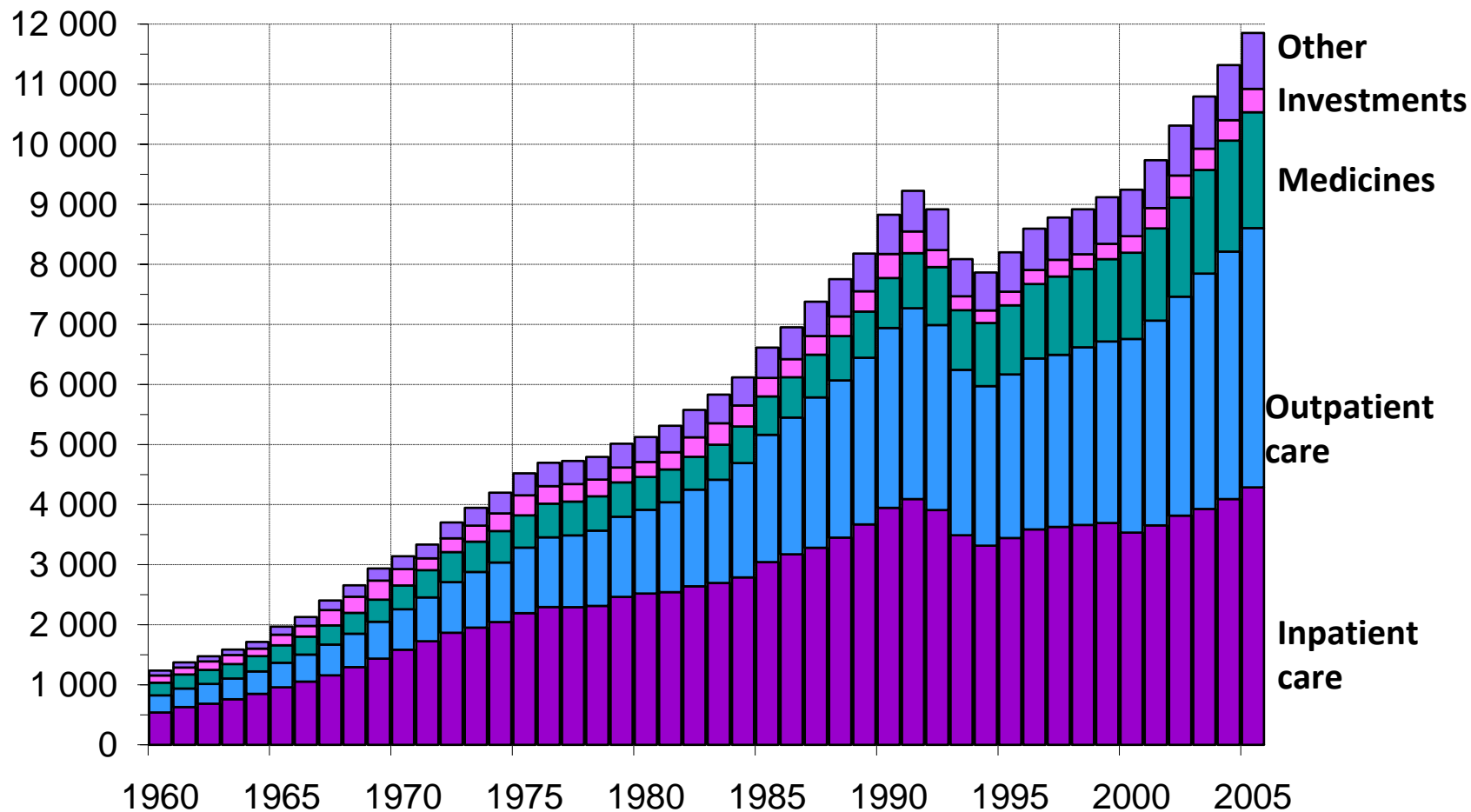


How much it cost?

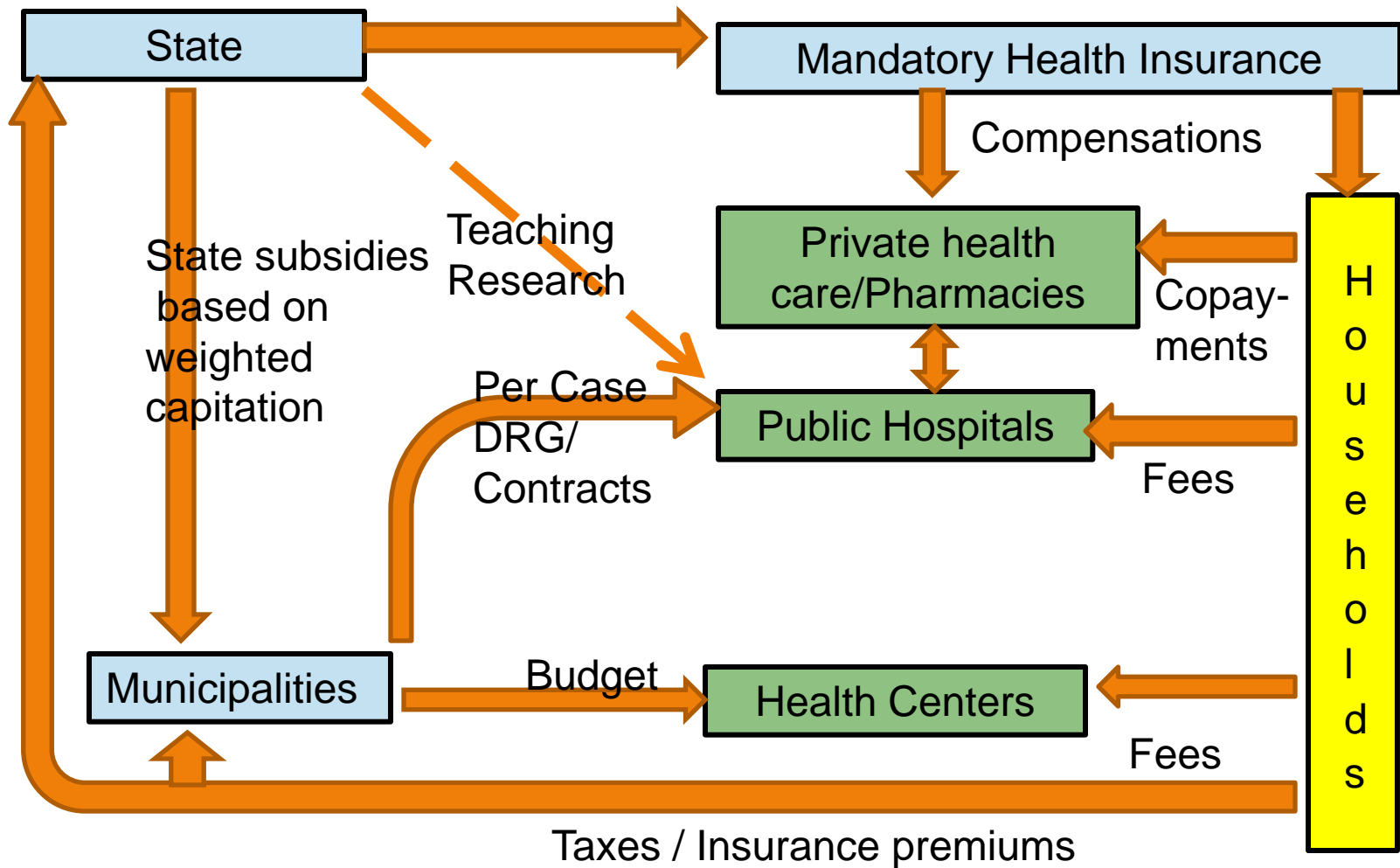
Total expenditure on health services in Finland

1960–2005 (at 2005 prices)

Million euros

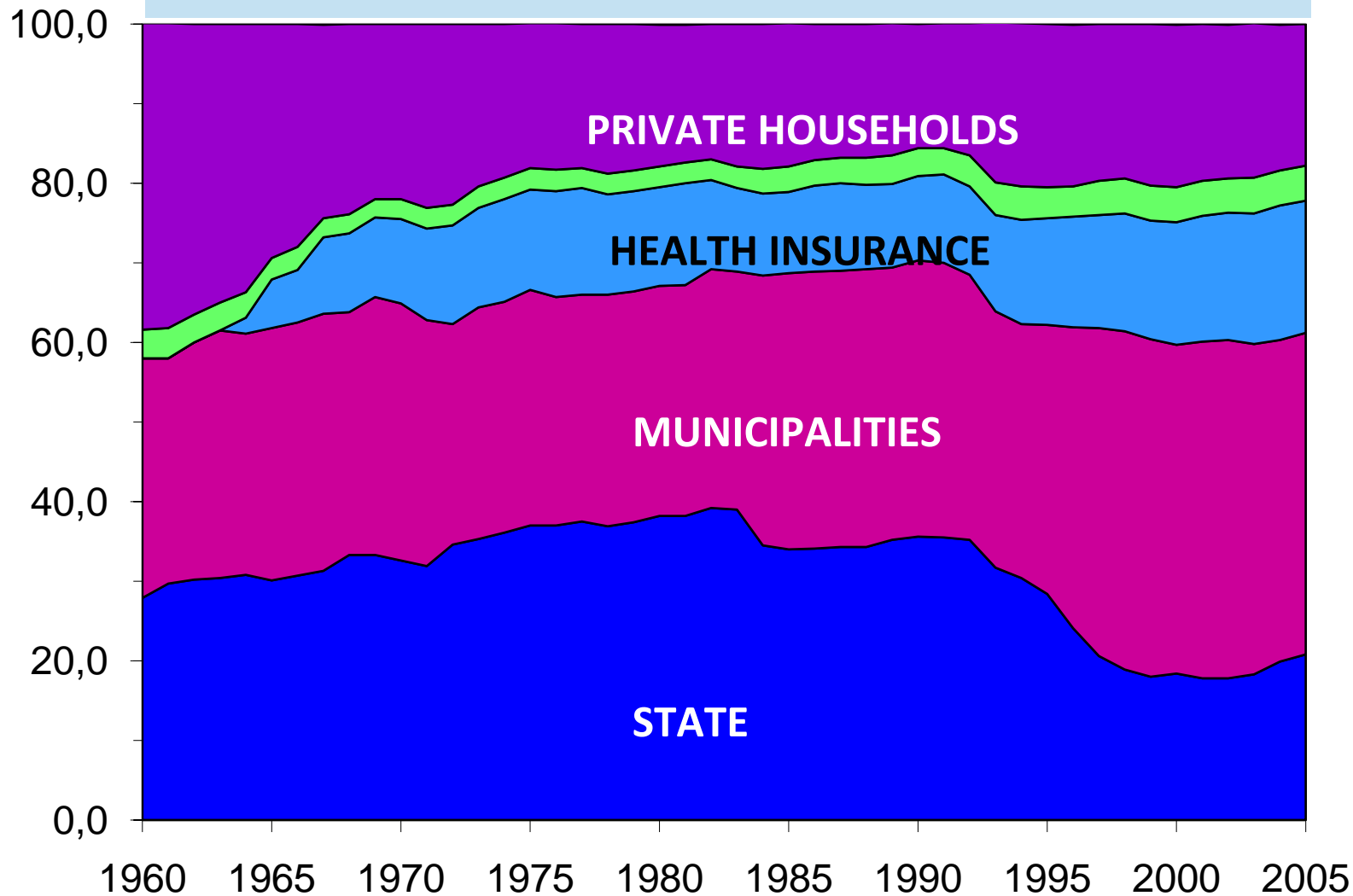


From where the money comes and where it goes?



Who Pays?

Financing of health service expenditures 1960 – 2005 in Finland



What we get ?

Indicators

- Life expectancy, M 74,6
- Life expectancy, W 81,5
- Infant mortality 3,8

Performance

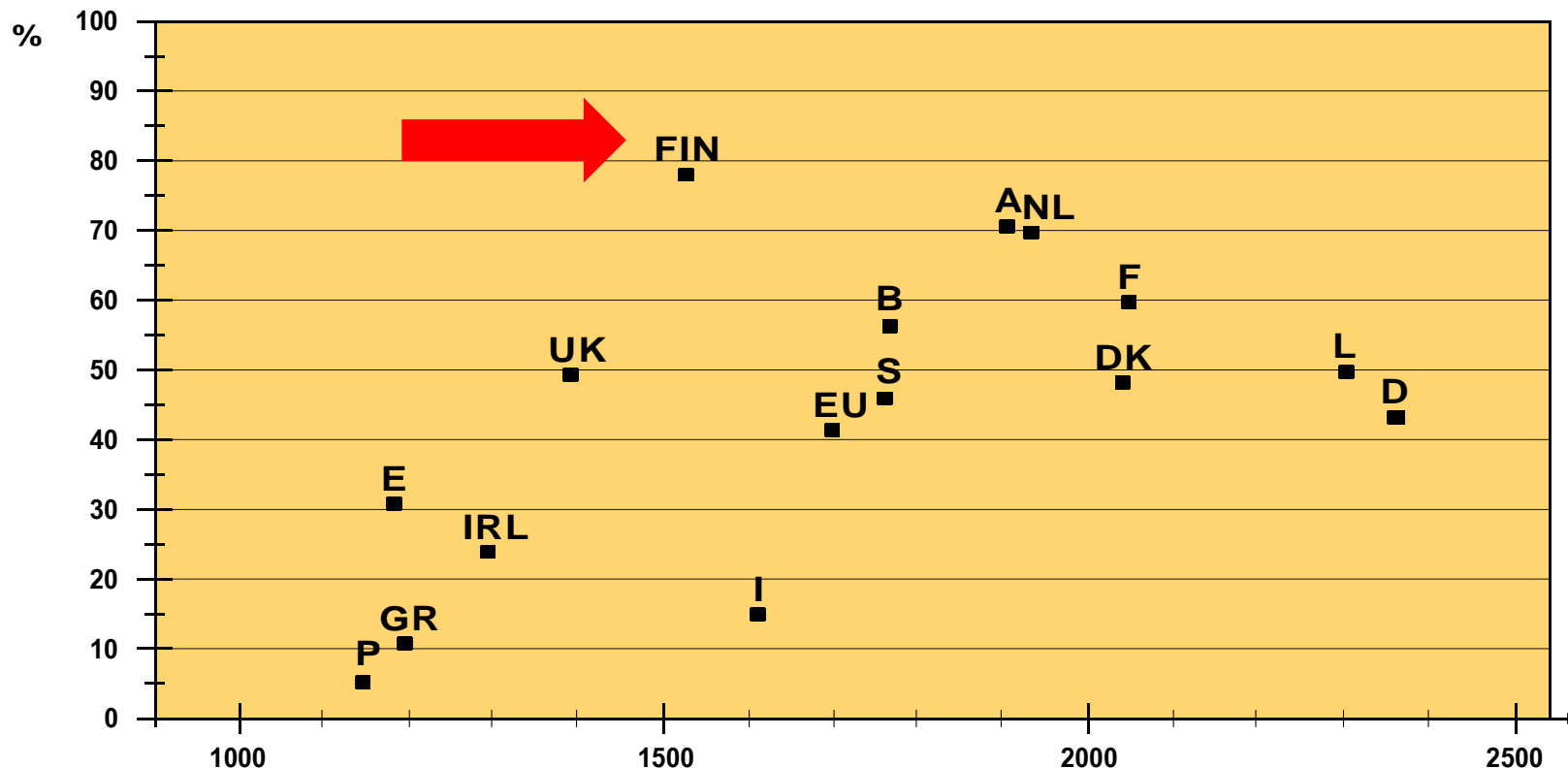
- GP visits/ pop 2,4
- Specialist visits/pop 1,9
- Policlinic visits/pop 1,3
- Discharges / 0,23



What we get ?

HEALTH 2015

Satisfaction with health services in EU states in 1998



Health care spending / inhabitant, purchasing-power adjusted by US \$

- | | | | |
|------------|-------------|----------------|----------------------------|
| A AUSTRIA | E SPAIN | I ITALY | P PORTUGAL |
| B BELGIUM | F FRANCE | IRL IRELAND | S SWEDEN |
| D GERMANY | FIN FINLAND | L LUXEMBURG | UK GREAT BRITAIN |
| DK DENMARK | GR GREECE | NL NETHERLANDS | EU EUROPEAN UNION, AVERAGE |

The Finnish Social Insurance Institution (SII)



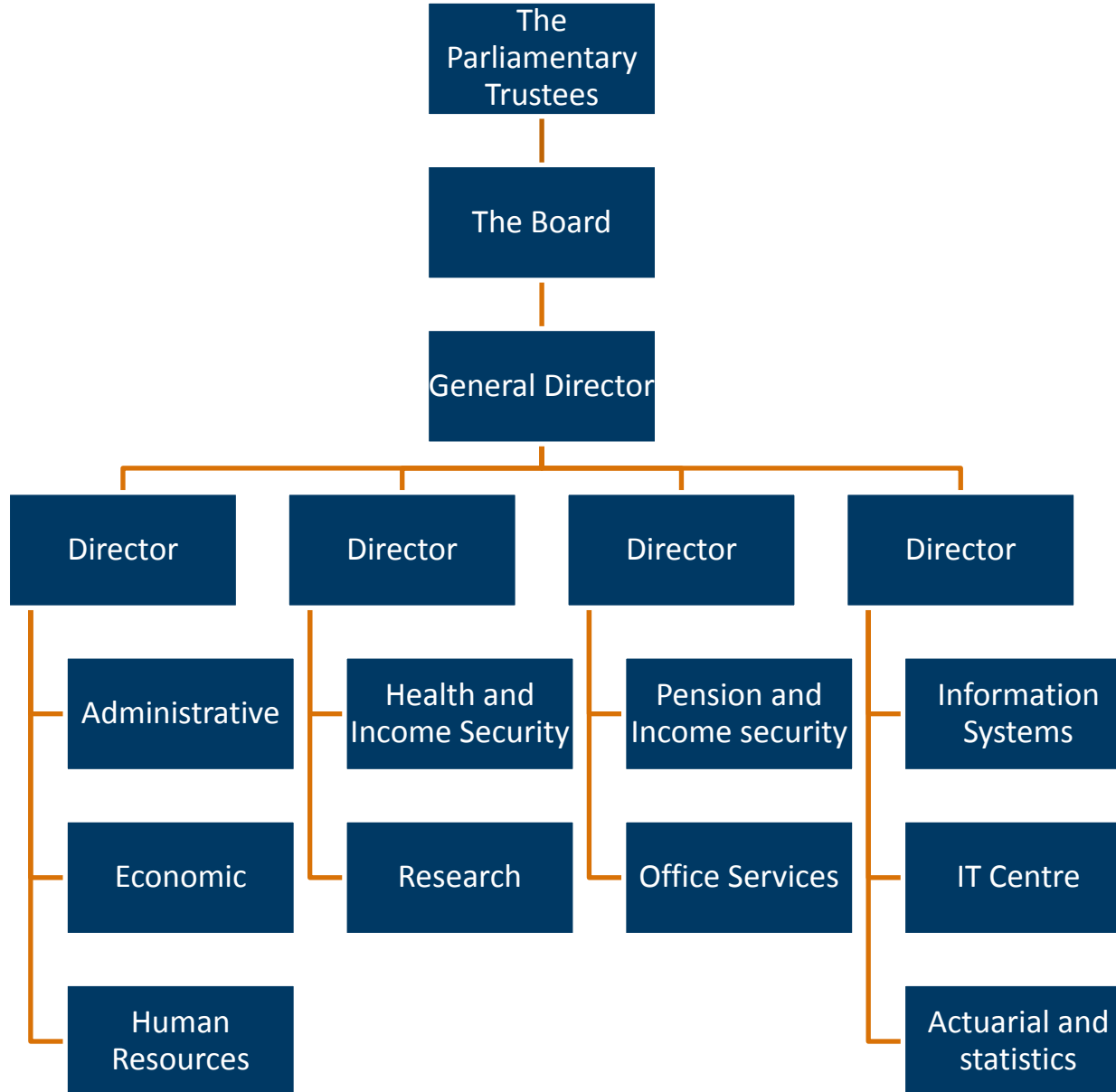
Social Insurance Institution

- Is one of the organizations responsible for implementing the Finnish social security system
- Is responsible for providing basic income security to all Finnish residents in different stages of life (**Including Health Insurance**)
- Is controlled by the parliament
- Payments for each insurance funds are collected through the tax system

Governance of SII

- SII has administrative and financial autonomy supervised by the **Parliamentary Trustees** (12 MPs), they are appointed by the Parliament
- SII is governed by **the Board** (10 members) appointed by the Parliamentary Trustees
- **Directors** has a individual responsibility for specific sectors of operation

Organization of Central Administration

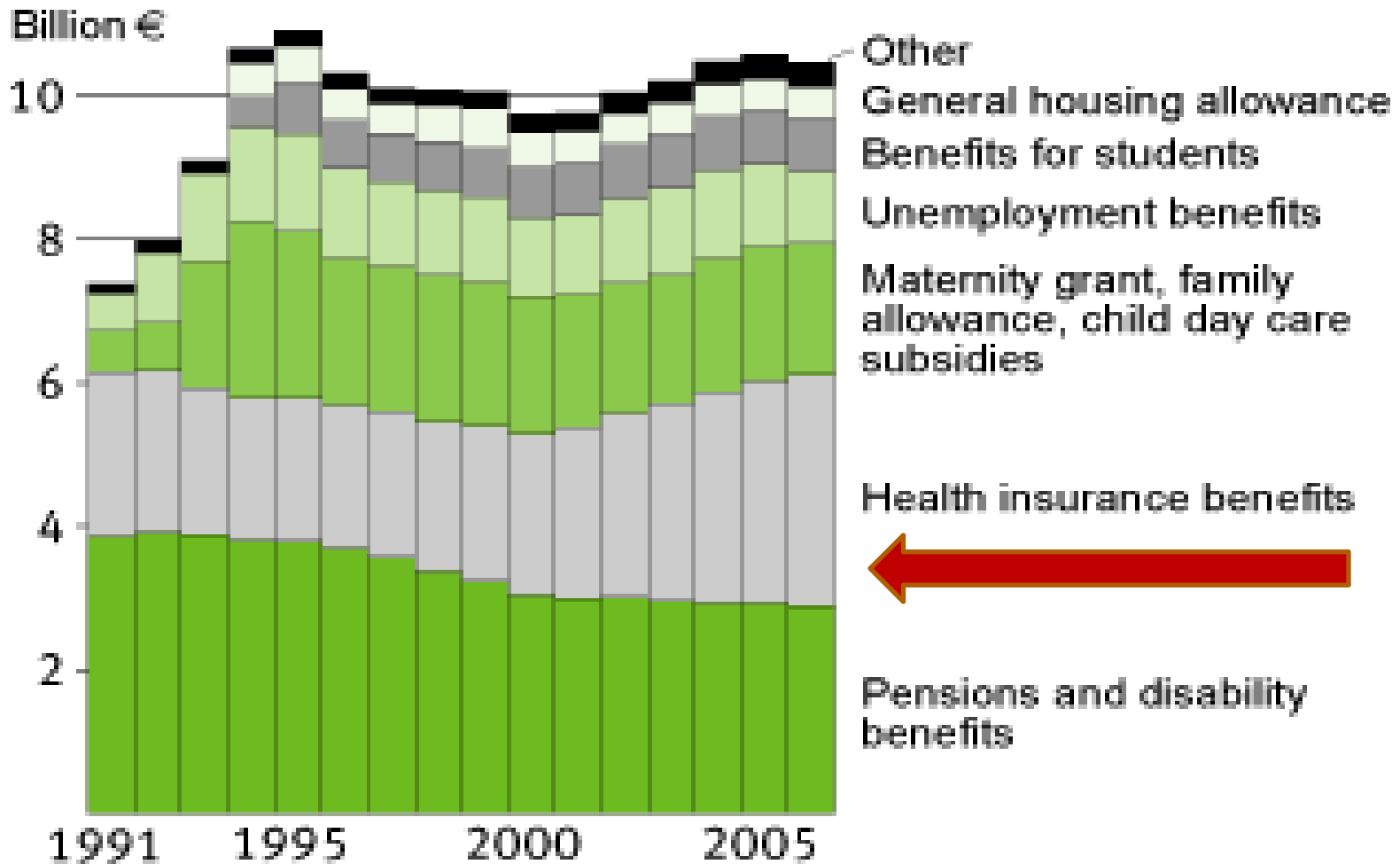


Organization of NSI

- **Total staff** 5 973
- **Insurance Regions** 5
- **Insurance Districts** 45
- **Branch offices** 306
- **Joint service offices** 145
- **Workplace sickness funds** 80



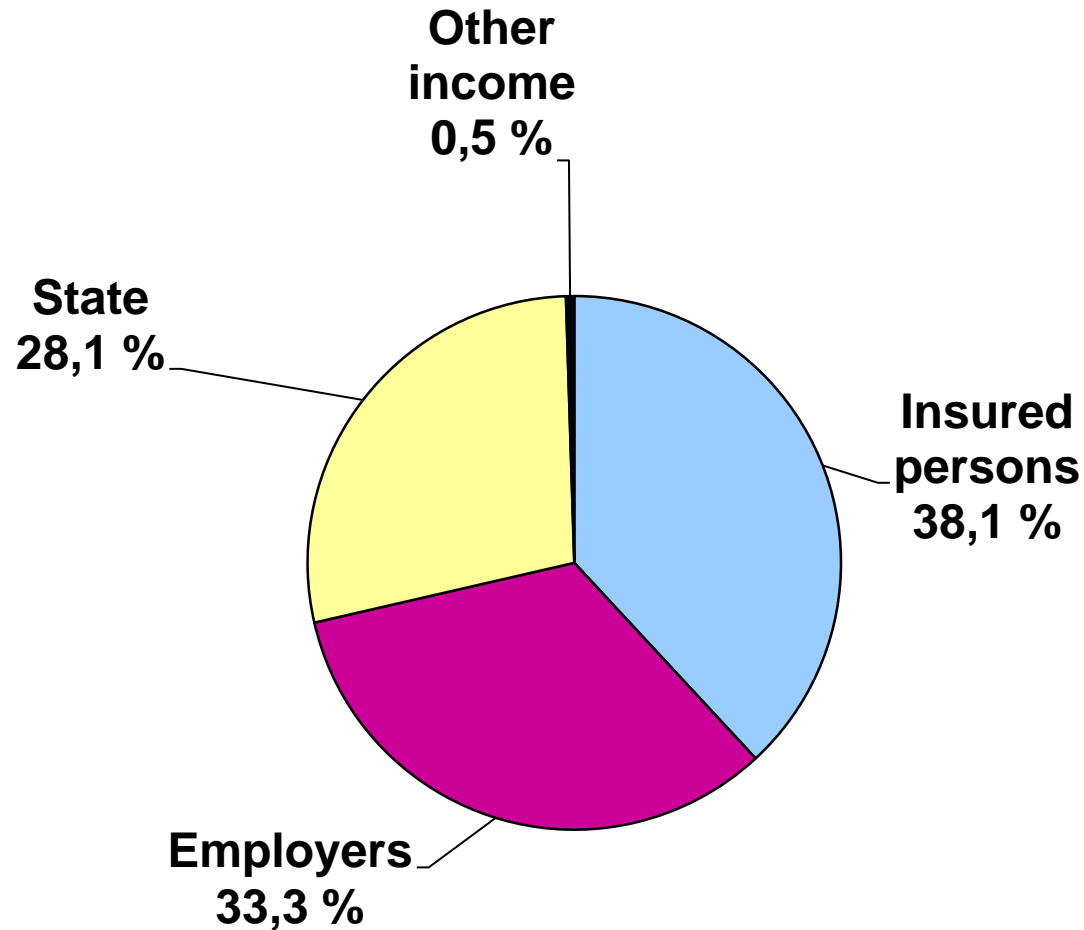
Benefit expenditure of NSI (at 2006 prices)



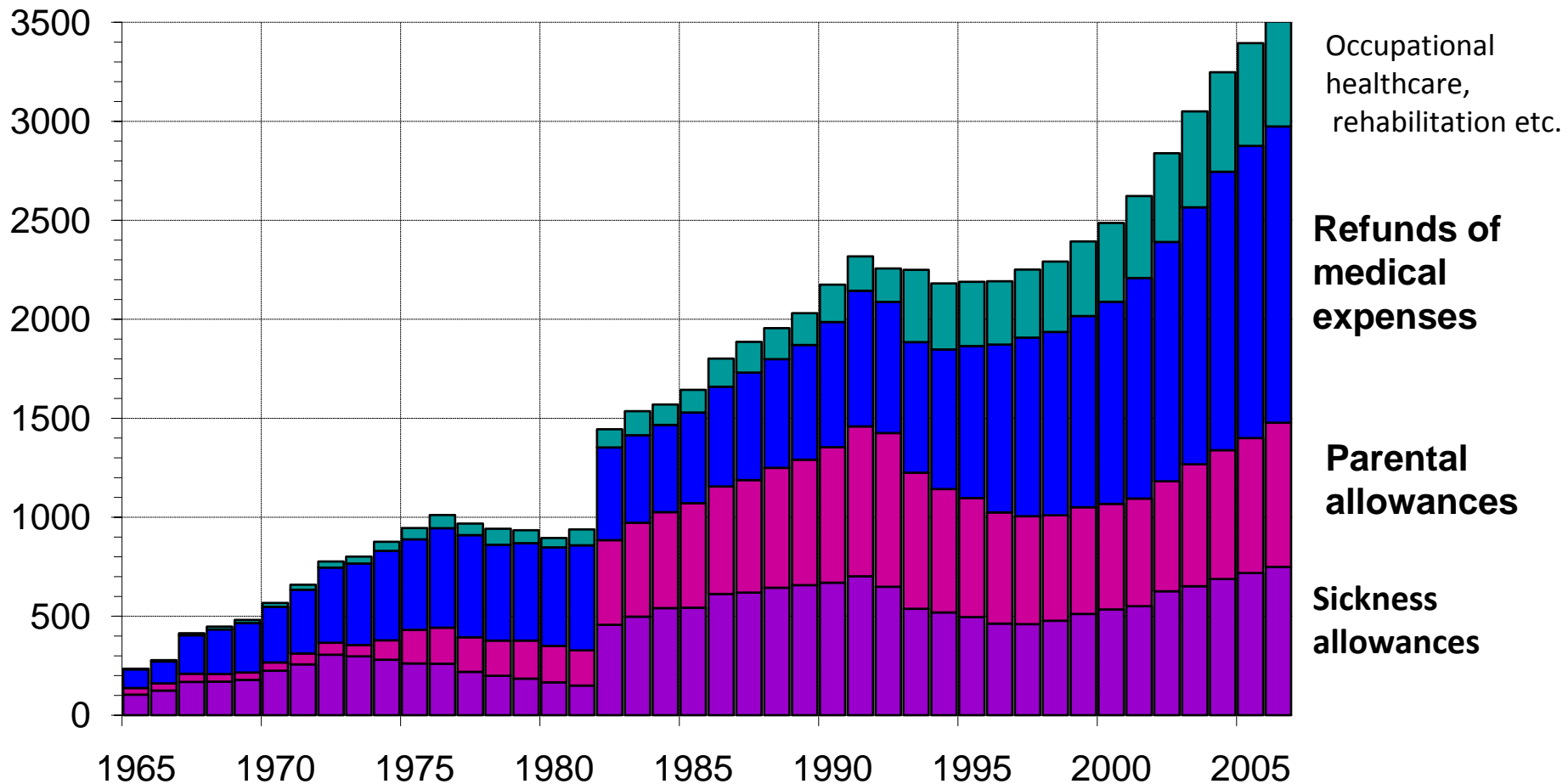
NHI Contribution rates in 2007

1. For medical care (% of taxable earnings) by insured persons
 - Wage and salary earners and self-employed 1.28
 - Beneficiaries 1.45
2. For daily allowance coverage (% of earnings)
 - Wage and salary earners 0.75
 - Self-employed 0.91
3. NHI contributions by employers from salaries 2,05
4. Rest of needed incomes come from **the state budget**

Source of incomes of Mandatory Social Health Insurance in Finland



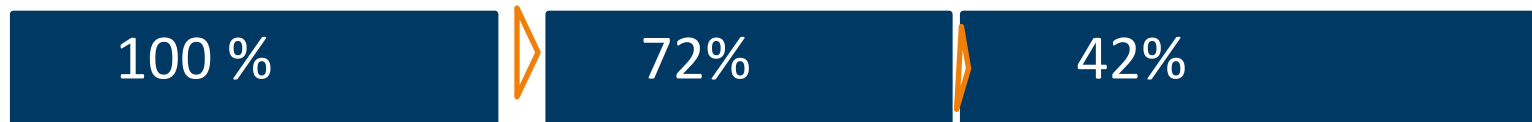
All payments from the National Health Insurance fund 1965–2006 (at 2006 prices)



Medicinal Insurance

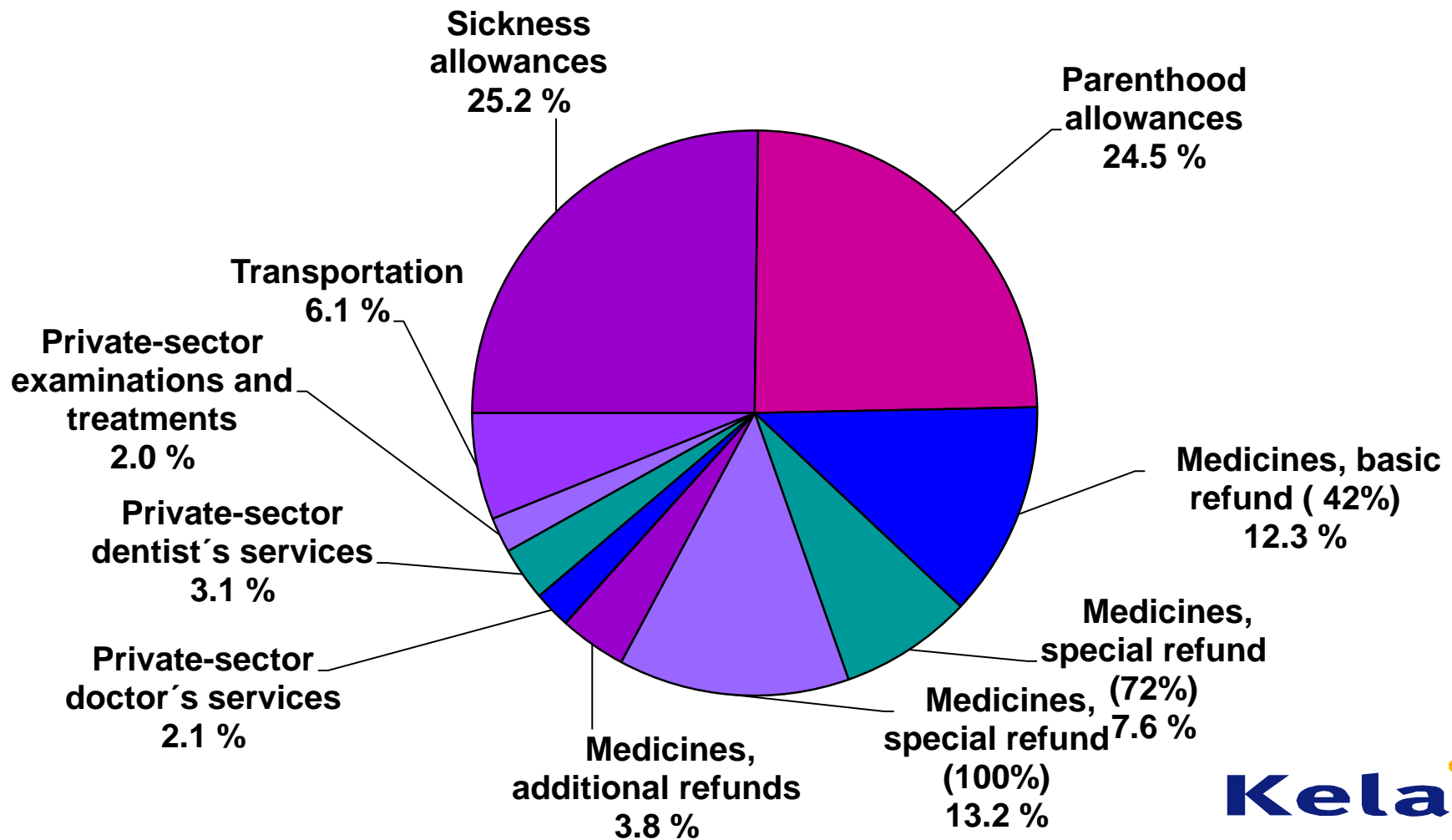
- **Pharmaceuticals take about 37 % of all HI expenditures**

- **There are 3 coverage categories**

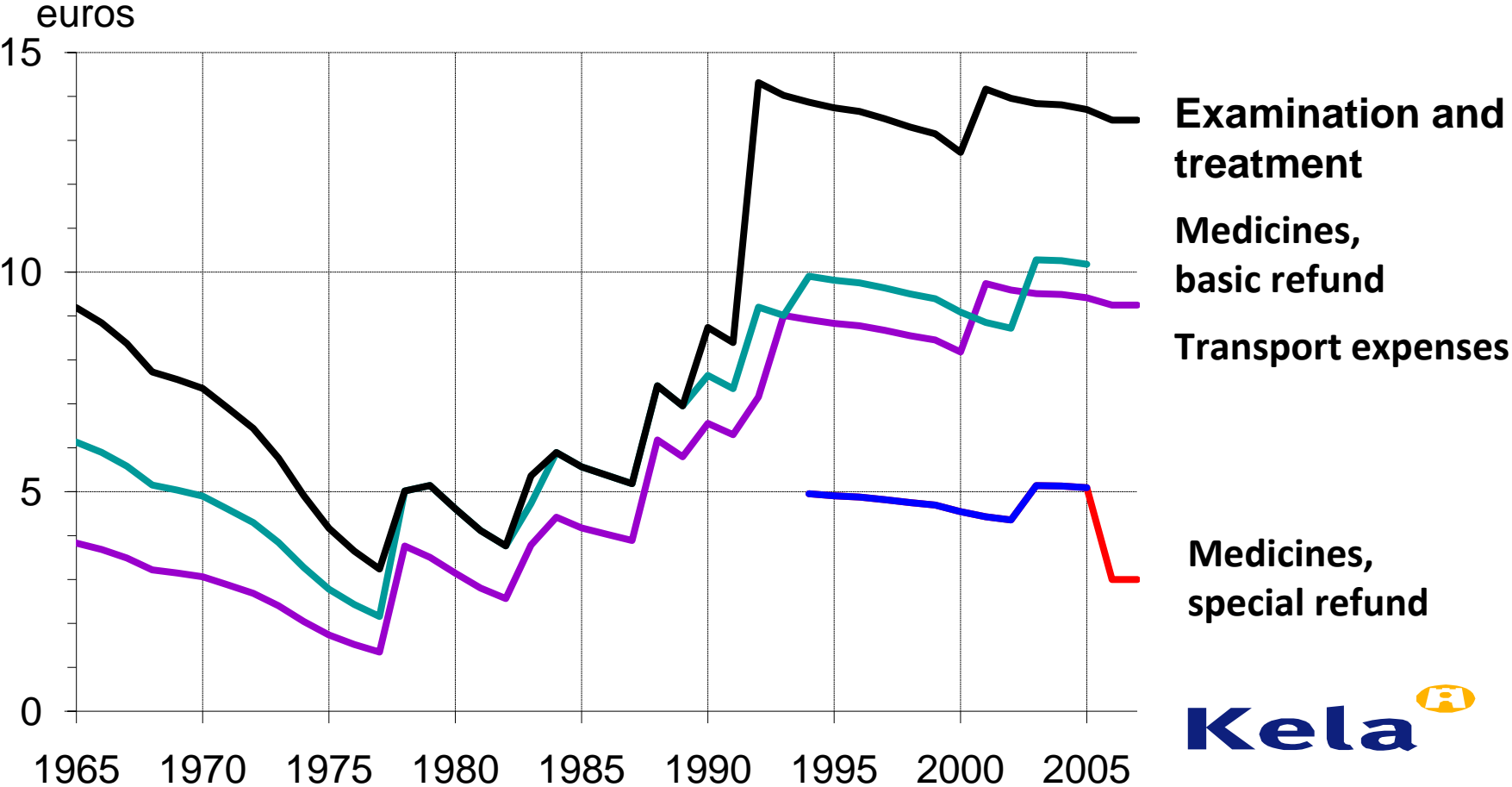


- **The coverage is calculated from the tariffs not from actual prices of pharmaceuticals**
- **The Ministry of Health approves the tariffs**
- **Generic substitution is possible**
- **Pharmacies get the copayment and HI pays pharmacies**
- **Electronic prescription in near future**

National Health Insurance payments by benefit category in 2006



Copayment rates for NHI refunds of private-sector medical costs 1965–2007 (at 2007 prices)



Reflections to health insurance plans in Ukraine

1. Start with the pharmaceutical insurance
2. Incorporate the present state programs into the system (TB, HIV, Diabetes etc.)
3. Increase the coverage gradually starting from the most essential list of drugs having different compensation categories within the limits of available financing
4. Incorporate the existing “likarnaja kasas” into the system (allow them to keep the existing private funds as additional supplementary insurance for already existing members)
5. Restructure the existing public health care system before insuring the public health care services (will take years)
6. Think about the dental care insurance as a first service related insurance policy

Thank you for your attention

