

Summary of the proposed model of clients' freedom of choice  
– from counties' and service providers' perspective

9 May 2017

## **Government proposal: Clients' freedom of choice in health and social services**

**The objective of the health and social services reform is to ensure equal and modern health and social services at reasonable costs. As part of the reform, freedom of choice will be improved for clients of health and social services. An Act on Freedom of Choice will be enacted for this purpose. The Government submitted its legislative proposal to Parliament on 9 May.**

The goal of the act is to improve the availability and quality of services and to strengthen cost-effectiveness. Clients would have more freedom to choose the service provider that best suits them. The aim is to reinforce particularly local services provided by health and social services centres and dental clinics. Health and social services centres will offer both healthcare and social welfare services and services of medical specialists and social welfare professionals will also be available.

### **Clients will have more freedom of choice**

According to the Government proposal, clients' freedom of choice would be extended in 2019. Freedom of choice can be extended at slightly different paces in different counties. The reform would give clients more freedom to choose a health and social services provider and its unit when they need services within the scope of freedom of choice. Clients could choose between a county-owned company, a private enterprise or an organisation. Clients could also choose a unit of the unincorporated county enterprise. Client fee would be the same irrespective of which service provider the client chooses.

### **Primary level: clients can choose a health and social services centre and a dental clinic**

- From the beginning of 2019, clients could choose a dental clinic (oral health services unit). The service provider would have to be in the register of service providers and approved by one of the counties. This means that the service provider meets all the necessary conditions set for service providers.
- Freedom of choice would be extended further on 1 July 2019 at the latest. Then clients would have more freedom to choose their health and social services centre where they can visit nurses and GPs and get advice on social services.
- Clients could change their service provider after at least one year has elapsed from their previous choice. If a client chooses a service provider that has several units across the country, he or she can visit any one of the units.
- If for reasons of work, studies or recreation clients are temporarily residing in a municipality where their chosen service provider is not operating, they can visit some other service provider's health and social services centre or dental clinic. However, they must notify their own county either using



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the national online service or otherwise in writing that they are using another service provider on grounds of temporary residence.

- The service provider will draw up a client plan when necessary and grant health and social services vouchers, which the client can use to get a particular service from another service provider. Social welfare clients shall be designated a primary worker if the unincorporated county enterprise has not done that.
- A licensed social welfare professional, working in an employment relationship for the health and social services centre, will make administrative decisions on social services when the centre is responsible for providing those services. An administrative decision may relate to social instruction, home services, home care or child guidance and family counselling temporarily needed by the client.
- Clients can use health and social services vouchers to choose any one of the county-approved service providers.

**Other health and social services: unincorporated county enterprises**

- The Government proposes that unincorporated county enterprises provide the health and social services not available in health and social services centres and dental clinics. Clients can contact directly a unit of the unincorporated county enterprise. An exception to this rule is non-urgent hospital treatment for which you need a referral from your physician.
- Clients can choose a unit of the unincorporated county enterprise from anywhere in Finland. For example, they can choose the hospital performing their non-urgent surgery. The referring physician will advise on which unit to choose.
- **Clients can get urgent care and first aid in units providing urgent and emergency care services, just as before.**
- The unincorporated county enterprises make official decisions and exercise public power.
- Freedom of choice does not include school health services and student health services for students in upper secondary education.

**Clients can receive health and social services vouchers or a personal budget**

- The unincorporated county enterprise assesses the client's need for services and draws up a client care plan. Based on the client care plan, clients can get the services they need either directly from a unit of the unincorporated county enterprise or as purchased services or, for certain services, they can get a health and social services voucher or personal budget.
- Service providers receive compensation from the counties for services delivered against services vouchers or personal budgets.
- Each county decides which services are available through health and social services vouchers. With services vouchers clients can themselves choose their registered service provider approved by one of the counties.
- Personal budgets are available for those who need services for older people or people with disabilities. Counties can introduce personal budgets even for other health and social services. The



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personal budget allows clients to choose their service providers from all registered service providers from anywhere in Finland.

- Clients are not obliged to accept the services voucher or personal budget offered to them. In such cases the unincorporated county enterprise will organise the client's health and social services in some other way.
- Online services, client advisers and service coordinators will guide and support clients in choosing the services that best meet their needs.

## Counties will organise health and social services

- The health and social services reform will separate the organisation and provision of services. The counties will be responsible for organising publicly funded health and social services in their area. They will receive the funding from central government but decide themselves how to use the funds.
- A county may provide services itself or purchase them from private enterprises and organisations. Services provided by a county must be divided between an unincorporated county enterprise and one or more county companies. Direct-choice services (at health and social services centres and dental clinics) will be provided by private and third-sector providers and county-owned companies.
- The counties will be responsible for ensuring that all residents get the services they need and that services by all service providers form a well-functioning system that runs smoothly and efficiently. If the service supply in some regions remains too small, the unincorporated county enterprise must provide the services itself or open them up to competition and buy services for its clients. A market failure needs to be proven by a separate study.
- Counties do not arrange competitive tendering for services within the scope of freedom of choice. Those services can be provided by any provider meeting the criteria set and registered with the national supervisory authority.
- In addition, the counties will conclude contracts with the providers of direct-choice services.
- In its service strategy, a county will decide on targets for a minimum amount of services to be acquired from private healthcare and social welfare service providers.
- The county will also decide which specialised-level consultations and drop-in services will be transferred to health and social services centres and dental clinics. The county decides the services where health and social services vouchers can be used. The county may decide to take personal budgeting into use even in other services than services for older people and people with disabilities.
- If a health and social services centre starts its work by offering first only primary health care services and social service guidance, a full range of services must be taken into use by 1 January 2022. By then clients could go to their health and social services centre to see a specialist, get guidance and advice on mental health or alcohol and drug use. They could also get short-term social services, such as social guidance, home services, home care, child guidance and family counselling. Counties could also decide to provide their maternity and child welfare clinic services in health and social services centres.



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- Counties would make the financing decisions concerning service providers. Health and social services centres and dental clinics providing direct-choice services would receive a fixed compensation based on the number of registered clients, socio-economic factors and clients' personal wellbeing risks. The compensation would be supplemented by incentives based on the success of treatment and service. Health and social services centres and dental clinics could also receive compensations partly based on accrual principle.
- A county and a provider can also agree on other compensations in order to take account of local circumstances like population density and remote location.
- Counties pay compensations to providers who have supplied services against health and social services vouchers or personal budgets granted by the county. Health and social services centres and dental clinics pay compensations to providers who have supplied services against health and social services vouchers or personal budgets granted by the health and social services centre or dental clinic.
- According to the legislative proposal, double invoicing would not be possible even in cases where an enterprise had concluded a total outsourcing contract with a municipality. A model for invoicing shall be agreed on with the county. The matter does not affect clients' freedom of choice.
- The Social Insurance Institution of Finland will be responsible for the management and technical organisation of payment traffic.
- Each county will be a controller of health and social services' client and patient information.
- Counties will supervise the service providers working within the scope of the client's freedom of choice in their region. Provisions on the supervision will be laid down in an act on service providers.
- Counties will collect client fees from the clients in accordance with an act on client fees.

### **Services provided by a county will be divided between an unincorporated county enterprise and county-owned companies**

- Unincorporated county enterprises provide the health and social services not available in health and social services centres or dental clinics (direct-choice services). Such services include, for example, most social services, various screenings, school health services as well as demanding specialised healthcare and extensive emergency care services. The unincorporated county enterprise can provide those services itself or open them up to competition and buy services for its clients.
- Local authorities (municipalities) would continue to organise the services of a psychologist and school social worker within their school and student health services.
- Unincorporated county enterprises shall assess clients' need for service in cases where the services of health and social services centres or dental clinics are not adequate for managing the client's situation. The unincorporated county enterprise can itself provide the services for the client or grant the client a health and social services voucher or personal budget for buying the services needed. The unincorporated county enterprise cannot itself provide services against a services voucher or personal budget.



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- Unincorporated county enterprises cannot themselves offer health and social services that are within the scope of direct freedom of choice. That part of counties' activities must be corporatised. This means that counties must corporatise their own health and social services centres and dental clinics as well as their services to be given against services vouchers.
- A health and social services voucher and personal budget can also be used to buy services from a county-owned company.
- Unincorporated county enterprises make official decisions but health and social services centres can make administrative decisions regarding short-term social services which they are responsible to provide.
- Each unincorporated county enterprise coordinates their services with the private and third-sector service providers.
- Unincorporated county enterprises can offer their services in connection with health and social services centres in the way the county has decided. An employee working for the unincorporated county enterprise can carry out his or her work at varying locations in the county, for example in a health and social services centre. Services can also be given as digital services or in other suitable ways.
- The unincorporated county enterprise may use a multi-professional team that would work in the county in connection with health and social services centres. The group would be responsible for giving social welfare consultation services.

### **County-owned companies, private enterprises and organisations providing freedom-of-choice services**

- Direct-choice health and social services can be offered by county-owned companies, private enterprises and third sector operators like organisations and foundations.
- Any operator can give notification of their service provision if they meet the requirements set out and are registered service providers.
- The county will conclude contracts with direct-choice service providers who meet the requirements (health and social services centres and dental clinics). The service providers need to have sufficient economic capacity. The service providers are also required to provide such security as the county accepts. The county can also require certification.
- The intention is that service providers must meet essential requirements (certification) if they offer hospital services or particularly intensive social services. This will ensure the quality of services as well as client and patient safety.
- Service providers offering services in health and social services centres or dental clinics can provide services themselves and conclude contracts with other providers or acquire services from other service providers or grant their clients health and social services vouchers. The client can use the voucher for choosing the service provider him- or herself. In any case, the direct-choice service provider (health and social services centre or dental clinic) will always be responsible for the service package of the individual client as well as for the quality and cost of the services.



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- Health and social services centres and dental clinics must provide their clients with the whole selection of services required by law. In addition, service providers may specialise in providing services to specified client groups in the way they choose.
- In bilingual municipalities the health and social services centres and dental clinics must serve clients in Finnish and Swedish. The county may, upon request, grant exception if the region has an adequate amount of units where clients can choose and use their mother tongue.
- Health and social services centres and dental clinics must cooperate with the county and municipality of their operating area in order to promote wellbeing and health.
- Service providers are liable for any errors caused by their service provision and for rectifying them at their own cost.
- The new Act on the Provision of Health and Social Services would prescribe on the right to provide health and social services. The Act will seek to ensure the safety of the client and patient as well as good, high-quality services.
- The Act on Organising Healthcare and Social Welfare Services lays down that direct-choice service providers' have an obligation to offer training and internships to health and social sector students.

**Better access to information about service quality and waiting times**

- All service providers shall use national information management services defined by law. They shall, for example, be registered in Kanta services. In Kanta, client and patient information is available to the extent needed by services providers.
- The Social Insurance Institution of Finland will establish a national online service where people can register themselves as clients to the health and social services centre, dental clinic and unincorporated county enterprise they have chosen.
- According to the legislative proposal, the counties would have the obligation to inform residents about their rights and benefits and help them in using health and social services. The counties would be responsible for ensuring that residents have sufficient information for choosing their health and social services.
- The counties shall provide online information about health and social services centres, dental clinics, service providers delivering services against health and social services vouchers as well as personal budget services. This online service has also information about the quality and availability of services.
- Health and social services centres and dental clinics must provide online up-to-date information about their capacity to take on new clients as well as their effective waiting times. Service providers must accept all clients in order of registration if they have capacity to take on new clients.
- Health and social services centres and dental clinics must give their clients information about the service providers approved to deliver services against health and social services vouchers. Service providers approved to deliver services against health and social services vouchers or personal budget must provide online up-to-date information about the relevant services and waiting times.
- Clients have the right to receive the information provided in the online service even orally or in writing.



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- Guidance and advice services must pay particular attention to clients who need a wide range of integrated services or special support.
- Health and social services centres, dental clinics and providers approved to deliver services against health and social services vouchers must issue annual reports on revenue, taxes paid and place of taxation, profit and loss, management salaries and bonuses as well as on corporate social responsibility, among others.
- The Act on the Openness of Government Activities and the Administrative Procedure Act apply to all service providers. Under the Act on the Openness of Government Activities, official documents are in the public domain, unless specifically otherwise provided in an Act. The Administrative Procedure Act contains provisions on the fundamental principles of good administration and on the procedure applicable in administrative matters.

## Act on Freedom of Choice enters into force on 1 January 2019

The Government submitted to Parliament a proposal on an Act on Freedom of Choice on 9 May 2017. Parliament will decide by autumn whether to accept the legislative proposal. The Act is scheduled to enter into force on 1 January 2019 at the same time the counties assume the responsibility for organising public health and social services. Dental clinics would start their activities from 1 January 2019 onwards, and the counties would introduce health and social services vouchers and personal budgets. Client's right to choose a unit of the unincorporated county enterprise would also enter into force on 1 January 2019.

Since the pace of preparations varies among counties, not all counties would establish health and social services centres at the same time. Some counties begin piloting the freedom of choice model already in 2017. In those pilot projects, municipalities and joint municipal authorities corporatise health and social services centres and begin to grant their clients personal budgets.

As a rule the health and social services centres would start operating by 1 July 2019. By special permit counties could postpone the establishment of health and social services centres until 1 January 2021.

The exact timetable of the reform is available on the website [alueuudistus.fi](http://alueuudistus.fi).

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