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"Ageing in place": how Sweden provides and pays for universal and comprehensive long-term care for older persons

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Context

Sweden has a universal and comprehensive programme for the care of older persons. The Social Service Act and the Health and Medical Services Act provide older people the right to claim and access health and social services. In the Swedish universal approach to long-term care (LTC), comprehensive, publicly financed and high-quality services are available to all citizens according to need rather than ability to pay. Therefore, no means-testing criteria are applied to the provision of care.

In 1992, the Swedish government implemented a major reform (*Adel reform*) giving municipalities the main responsibility for long-term care (LTC) of older persons. While the legal framework is set at the national level, care for older persons is organized within a decentralized political structure. The municipalities have the legal obligation and autonomy to provide services which fulfil the social, nursing and housing needs of older persons. Municipalities also have the right to levy and collect taxes.

In 2008, the Act on Free Choice Systems made it possible for municipalities to introduce provider choice, allowing users to choose between authorised private and public providers for home care services. To do this, local municipal authorities negotiate agreements with a variety of public and/or private providers from which older people can choose.

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Key findings

- Sweden spent 3.4 % of its GDP on LTC, the fourth highest in the OECD in 2018. Most LTC is funded from public sources (93.3 %), mainly through local municipal taxes.
- The system has comprehensive coverage, low levels of patient cost-sharing at the point of accessing service and a strong emphasis on improving well-being by encouraging older persons to remain at home for as long as possible.
- There are no national regulations on eligibility, standardised instruments or guidelines for needs assessment. Local authorities decide on the service levels, eligibility criteria and the range of services provided for home help and institutional care. Municipal offices organise needs assessment processes, taking into account the individual, social and family conditions of the care recipients. A “care manager” employed by the municipality determines eligibility, and the level and types of service a recipient is eligible for through interviews with the person requesting care. Eligibility is based on cognitive and functional limitations.
- About 4.4 % of the population over 65 received long-term care in institutions and 11.8 % of those over 65 were cared for at home in 2018.
- More than half of the 290 municipalities have chosen to implement the System of Choice to allow recipients to choose whether they want their help at home or in special housing provided by public or private providers. The remaining municipalities have developed their own models of care within public home care services.
- An Open Comparisons national quality monitoring system for LTC was established by the Swedish Government, the National Board of Health and Welfare and the Swedish Association of Local Authorities and Regions in 2007. The Open Comparisons tool shows the quality of care based on 28 indicators and grades the providers’ performance. A relative comparison between municipalities is based on a traffic light system.
- Two types of benefits are available for family carers. An attendance allowance is a cash payment given to the care recipient to pay for help from a family member on top of the services provided by the municipality. The other benefit is a carer’s allowance, where the municipality employs a family member to do the care work. These benefits, however, are not provided everywhere as each municipality may decide whether to provide these benefits, the eligibility criteria and level of payment.

Best practices

- **Focus on keeping dependent people in their homes.** One of the main aims of LTC has been “ageing in place” and thus the system provides incentives for municipalities to organize home-based care. Following this strategy, Sweden has seen one of the largest reductions in LTC beds and one of the most marked increases in the share of home LTC recipients in the OECD.
- **Emphasis on choice and the market.** Provider competition is regarded as an important tool for driving performance improvement. Municipalities have significant autonomy to grant licenses for providing eldercare services, set prices and monitor compliance.
- **Importance of financial incentives.** Sweden has used financial incentives to steer change. Starting in 2010, there have been occasions when annual transfers from the central government to municipalities have included performance targets based on outcomes results for elderly care.

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Lessons for other settings

- **Sustainability.** The share of people 65 years and over is steadily growing in Sweden and is projected to reach one in four people by 2050. Furthermore, about 10% of the population is projected to be 80 years and over by 2050. This brings about new challenges in terms of the sustainability of the Swedish universal and comprehensive programme for LTC and its financing through taxes.
- **Regulation.** Sweden has a high proportion of private for-profit companies providing welfare services. Competition and choice can be effective and positive in promoting quality of care. Nevertheless, in a broader perspective, private interests may deviate from the interests of society. Therefore, the LTC sector must be regulated so that the organisations operating within it work to further society’s interests.
- **Information.** For encouraging consumer choice based on quality, it is essential that information regarding services and their quality be valid, clear and accessible and that consumers have the ability to exercise choice across many providers.
- **Monitoring equity.** The decentralised structure of LTC and the large variation in the number of older persons among municipalities makes it necessary to evaluate differences among municipalities in their guidelines and approaches to granting family carers access to LTC and cash benefits, and explore the main factors that explain these differences.

The WKC and the OECD have produced a report summarizing key findings from nine country case studies on “Pricing long-term care for older persons”. The cases represent a range of health care systems and experiences in organizing and financing long-term care (LTC) for older persons. The report identifies best practices and policy lessons, which demonstrate the benefits of investing in quality LTC in the context of ageing populations. The summary report and case studies can be found here: https://extranet.who.int/kobe_centre/en/project-details/pricesetting2