

## Healthcare in Denmark - funding and marked

Public funding

Privat alternatives

- "danmark"
- Private Hospital Insurance

Current development



## Public funding

State, Regions and Municipalities

Mostly taken from “HEALTH CARE IN DENMARK “ from  
Ministeriet for Sundhed og Forebyggelse



## Free and equal

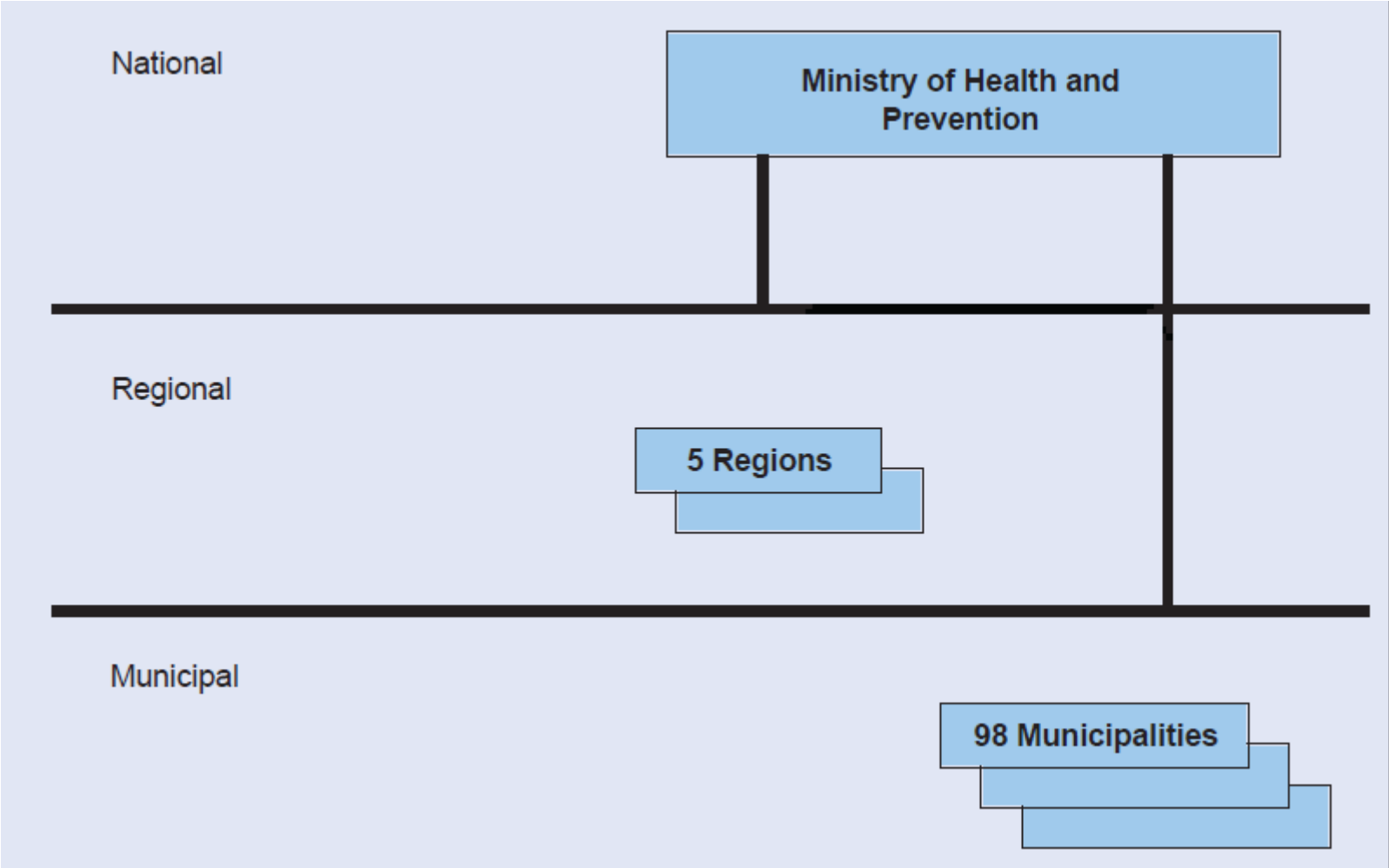
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The Danish health care system is based on a principle of free and equal access for all citizens.

Thus, the vast majority of health services in Denmark are free of charge for the users.

- at least until recently ...

# Structure of the public Healthcare



## Ministry of Health and Prevention

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- The Ministry is responsible for legislation on health care
  - National Board of Health
    - guidance and regulation regarding the basic and specialized treatment and functions within the hospital services
  - Regions are obliged to agree regarding the use of highly specialized departments
    - not all hospital treatments treated in all hospitals
  - Regions may refer patients to highly specialized treatment outside Denmark
    - Paid for by the Region or the state (to some degree)

## The Regions

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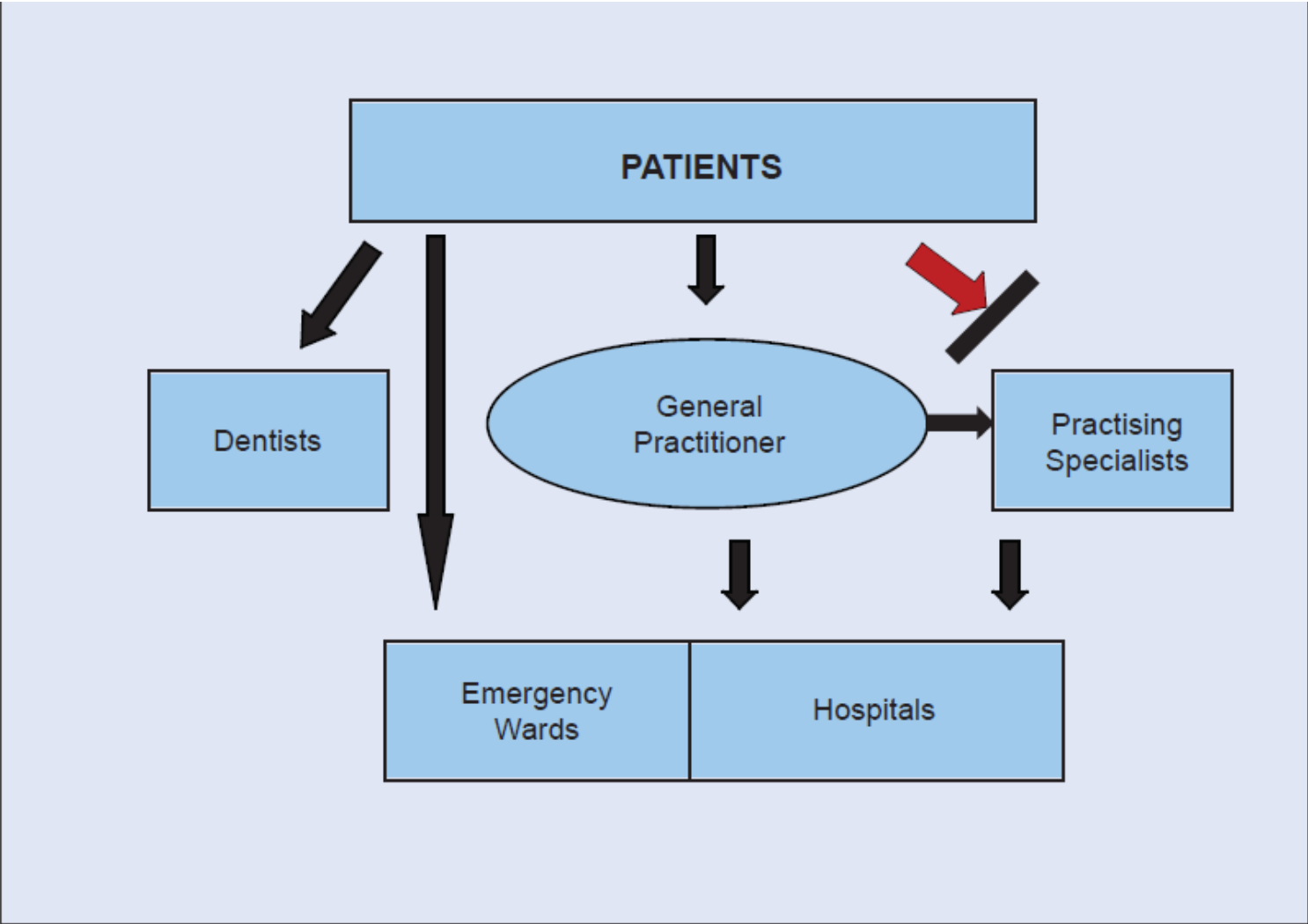
- Hospitals
  - Paid through taxes
- The practice sector (all licensed by the State)
  - General practitioners, practicing specialists
    - Paid through taxes
  - Practicing dentists, physiotherapists etc.
    - Partly paid through taxes – include co-payments
      - Only the ones who participates in the collective agreements
  - The Regions' Board for Wages and Tariffs
    - Make collective agreements with the different professions

## The Municipalities

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- Are responsible for
  - home nursing
  - school health service
  - child dental treatment
  - prevention and rehabilitation
  
- All paid through taxes

# GP - gate-keepers





## Patient Insurance Scheme

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- In 1992 came the Patient Insurance Scheme with compensation for injuries caused by examination or treatment
  - in hospitals or authorized health care professionals in private practice, if
    - it may be assumed that an experienced specialist would in the given circumstances have acted differently thereby avoiding the injury
    - the injury is due to the malfunction or failure of technical instruments
    - the injury might have been avoided using another available and just as effective treatment technique or method
    - the injury occurs from examination or treatment (infections/complications) more extensive than the patient should reasonably have to endure
- Some private insurers offers a similar cover – integrated in the Hospital insurance

## Free choice of hospital

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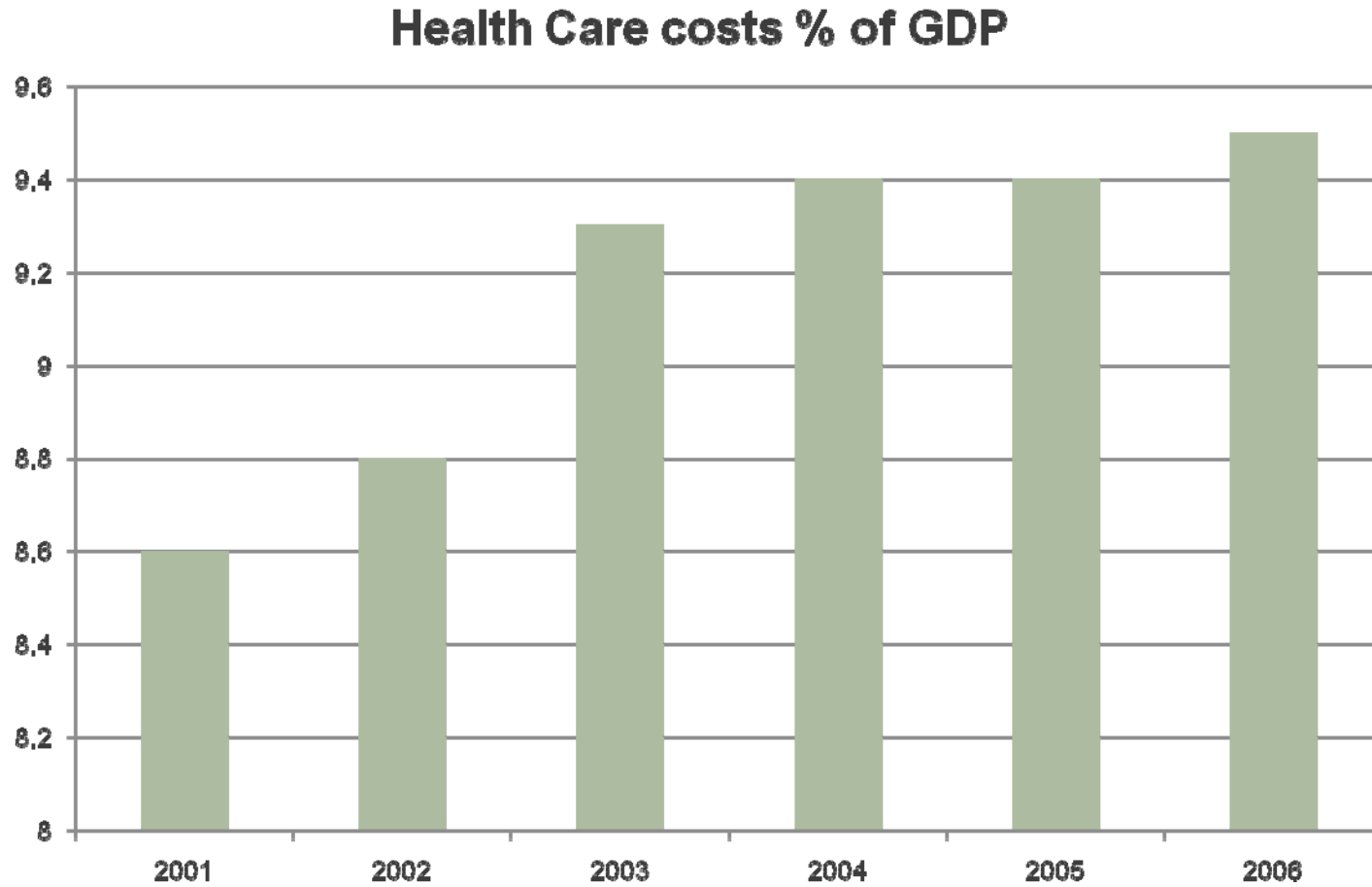
- Since 1 January 1993, citizens can, within certain limits, of choosing freely in which public hospital they wish to be treated
- From 1 July 2002, the citizens may choose among private hospitals or clinics in Denmark
  - Outside Denmark if the waiting time for treatment exceeds two months – but only in Hospital made agreement with the Region ...
- From 1 October 2007 this waiting time was reduced to one month
- Latest development
  - The last decade, focus on waiting lists and quality on cancer treatment in general has led to on-off extra funding on 2-5 billion DKK a year – activity based funding
  - The free choice of hospital caused political turmoil in the summer 2009 from politicians accused of accepting higher prices on treatment of private hospitals
  - The free choice was suspended when the nurses was on strike for a few months in 2008 and has just now been in reinstated again

Healthcare costs in Denmark 9.4% in 2005  
– increased to 9.8% of GDP in 2008



## Health care costs in Denmark

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## Private alternatives

Sygeforsikringen “danmark”

Mostly taken from wikipedia and sygeforsikringendanmark.dk



## ”danmark” History

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- Before 1971 Danish healthcare was funded by mandatory sickness funds
- In 1971 the state took over the funding – the state cover included own payments on some treatments
- In 1973 a new mutual insurance company ”sygeforsikringen danmark” emerged from the old sickness funds covering parts of the own payments

## ”danmark” different covers

- **Basis (Gruppe 8)**

An opportunity to get cover with-out health declaration.  
Premium 396 DKK/year.

- **Gruppe 5**

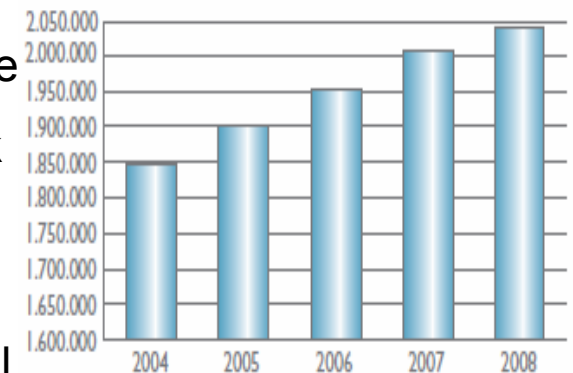
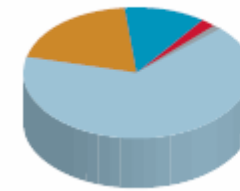
Co payments on medical expenses, vaccinations, dentist, glasses, contact lenses, physiotherapy, chiropractor psykologist if crisis occur. Possible extended cover with-out health declaration.  
Premium 1268 DKK/year.

- **Gruppe 1**

”Gruppe 5” + extended dental care, higher cover for medicine with public co payments, after 12 month co payments for a number of hospital treatments – some also outside Denmark  
Premium 2760 DKK/year

- **Gruppe 2**

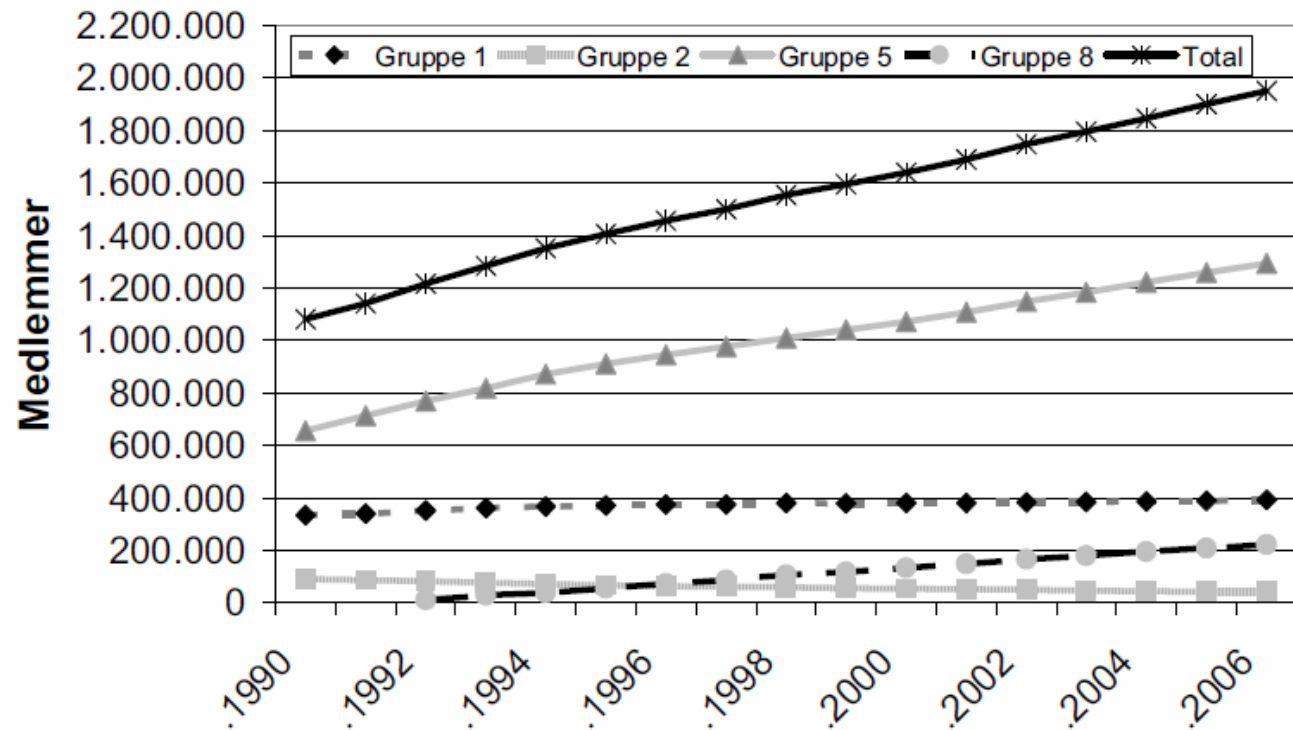
”Gruppe 1” + co payments of general practitioner and special doctor treatment, laboraty expenses, full cover for medicine with public co payments.  
Premium 3866 DKK/year



## Number of insured in "danmark"

- Latest number in 2009 are 800.000 insured in "danmark" with hospital cover

Medlemstallet i 'danmark', incl. børn, 1990-2006





# "danmark" own-cost-cover

	Gruppe 1	Gruppe 2	Gruppe 5
Implantatoperation maks. inden for 12 måneder...	2.000	2.000	1.000
<i>Ved uafbrudt medlemskab af Gruppe 1 eller Gruppe 2 i 5 år eller mere erstattes implantatoperation med maks. inden for 12 måneder - usæst antal</i> .....	2.500	2.500	
Andre operationer 50% af udgiften, dog maks. ....	400	400	400
Histologisk undersøgelse af vævsprøve 50% af udgiften, dog maks. ....	100	100	100
<b>Tandregulering</b>			
Indledende ortodontisk undersøgelse og konsultation .....	100	100	100
Fuldstændig ortodontisk undersøgelse og behandlingsplan .....	200	200	200
Indledende ortodontisk studiemodelsæt .....	100	100	100
Indledende panoramarentgenundersøgelse samt indledende profilrøntgenoptagelse .....	215	215	215
Aftageligt pladeapparat .....	340	340	340
Lille fast apparatur i én kæbe, dog maks. 6 tænder	500	500	500
Fuldt fast apparatur .....	650	650	650
Aftageligt retentionsapparat .....	300	300	300
Fast retentionsapparat .....	150	150	150
Rep. tandbøjle 50% af udgiften, dog maks. ....	102	102	102
<b>Bidfunktionsbehandling</b>			
Initial bidfunktionsundersøgelse .....	60	60	60
Fuldstændig klinisk bidfunktionsundersøgelse 80% af udgiften, dog maks. ....	225	225	225
Supplerende undersøgelser (kæbeledsrøntgen, artikulatundersøgelse) 50% af udgiften, dog maks. ....	219	219	219
Panorama røntgenoptagelse 50% af udgiften, dog maks. ....	235	235	235
<b>Fysioterapi:</b>			
Varmebehandling .....	28	28	28
Blokade .....	28	28	28
Instruktion i muskeløvelser .....	28	28	28
Skinner 50% af udgiften, dog maks. ....	400	400	400
<b>Okklusal slibning:</b>			
Initial slibning .....	30	30	30
Generel slibning 50% af udgiften, dog maks. ....	225	225	225
Reparation/regulering af bideskinne 50% af udgiften, dog maks. ....	125	125	125

	Gruppe 1	Gruppe 2	Gruppe 5
<b>Duplikering/rebasering</b>			
Duplikering, hel- eller delprotese pr. stk .....	375	375	
Rebasering, hel- eller delprotese pr. stk .....	275	275	
<b>Proteseudvidelse</b>			
Udvidelse af protese 50% af udgiften, dog maks. ...	325	325	
Udvidelse af Unitor 50% af udgiften, dog maks. ...	350	350	
<i>Protsearbejde i form af kroner, indlæg erstattes ikke yderligere under afsnittet "enkelttandskroner og -indlæg".</i>			
<b>Reparation af proteser</b>			
50% af udgiften, dog maks. ....	400	400	
Attachments, pr. enhed .....	350	350	
<b>Medicin</b>			
a. For lægemidler, der er indrapporteret til CTR (Det Centrale Tilskuds Register), gives tilskud efter nedenstående regler:			
For den andel af et medicinkøb, der ydes offentligt tilskud til, erstattes andel af egenbetaling med: ....	100%	100%	50%
For den andel af et medicinkøb, der ikke ydes offentligt tilskud til, erstattes andel af egenbetaling med: .....	50%	100%	25%
Ovenstående gælder også præparater, der er ydet medicinbevilling til fra Lægemiddelstyrelsen.			
b. Tilskud til lægemidler, der kun kan udleveres på recept, men som ikke er indrapporteret til CTR. Andel af egenbetaling erstattes med: .....	50%	50%	25%
Der ydes ikke tilskud til svangerskabsforebyggende midler. I øvrigt ydes ikke tilskud til medicin, som kunne være købt uden recept.			
Det er en betingelse for ydelse af tilskud til medicinkøb, at oplysningen herom indberettes elektronisk til "danmark" i henhold til fastlagt specifikation. Læs mere om "danmark"s tilskud til medicinkøb på sygeforsikring.dk			
<b>Fysioterapeutisk behandling</b> <sup>▼</sup>			
For fysioterapeutisk behandling ydet på nordent			

	Gruppe 1	Gruppe 2	Gruppe 5
Tillæg særligt tidskrævende indsats samme dag som holdtræning .....	84	84	84
Holdtræning .....	56	56	56
Tillæg for behandling i hjemmet (Fysioterapeut m. fast klinikadresse)			
Afstandstillæg 0 - 4 km .....	3	3	3
Afstandstillæg 5 - 10 km .....	9	9	9
Afstandstillæg over 10 km .....	12	12	12
(Fysioterapeut u. fast klinikadresse) pr. behandlingsseance .....	6	6	6
<b>Zoneterapeutisk behandling</b>			
For zoneterapeutisk behandling - efter en stillet lægelig diagnose - ydet af Registreret Alternativ Behandler med bestået eksamen som zoneterapeut ydes tilskud som det fremgår nedenfor. Der kan kun gives tilskud til én 1. konsultation i behandlingsforløbet for samme sygdomsaktivitet. Der gives kun tilskud til zoneterapi udført på fod/hædder. Det er en betingelse for ydelse af tilskud til zoneterapi, at oplysning herom indberettes elektronisk fra zoneterapeuten til "danmark" efter fastlagt specifikation.			
1. konsultation 30% af udgiften, dog maks. ....	110	110	110
Normal behandling 30% af udgiften, dog maks. ...	70	70	70
Der kan maks. inden for 12 måneder gives et samlet tilskud til zoneterapi på .....	460	460	460
<b>Kiropraktorhjælp</b> <sup>▼</sup>			
For kiropraktisk behandling udført af autoriseret kiropraktor erstattes efter følgende takster, som omfatter en del af taksterne i overenskomsten mellem regionerne og Dansk Kiropraktor-Forening:			
<b>Røntgenundersøgelse</b>			
Røntgenundersøgelse .....	134	134	134
Røntgenteknik undersøgelse .....	67	67	67
Diagnosticering og beskrivelse .....	67	67	67
Rekvirering/fortolkning af fremmede billeder .....	67	67	67
Supplerende røntgenundersøgelse .....	67	67	67

# "danmark" Hospital Insurance

## Udvidet Operationsdækning inkl. alm. Operationsdækning

Gr. 1 og 2  
+ Operationsdækning til Gr. 5

### Indlæggelse

Indlæggelse i forbindelse med operationer, der er markeret med \* i listen over godkendte operationer, udløser yderligere et tilskud uanset antallet af overnatninger på 3.000 3.000

Ved "indlæggelse" forstås overnatning efter operationen på operationsstedet. Dette betyder, at overnatning på hotel, patienthotel og lignende ikke udløser tilskud til indlæggelse.

### Voksens ophold

Ved en voksens ophold på godkendt hospital eller klinik sammen med et forsikret barn under 16 år, der skal opereres, dækkes 85 % af den dokumenterede opholdsudgift på hospital/klinik, dog maks. pr. døgn 1.000 1.500

### Dokumentation

Regninger for operationer skal indeholde diagnosen, operationsklassifikationsnummer, operationsbeskrivelse, behandlingens art, navn på den opererende speciallæge og eventuel indlæggelsesperiode.

### Ortopædkirurgi

Artrioskopi	5.500	13.000
Discusprolaps/ryg*	28.500	57.000
Hofteledsudskiftning*	47.000	75.000
Begge hofter opereret samtidigt (ved udskiftning af hofteled)*	72.000	112.000
Knæledsudskiftning*	47.000	75.000
Begge knæ opereret samtidigt (ved udskiftning af knæled)*	72.000	112.000
Menisk/mus	5.500	13.000
Åreknuder	5.500	13.000
Skulder/overarm*	7.500	17.000
Albue/underarm*	7.500	13.000
Århen/underhånd*	7.500	22.000

## Udvidet Operationsdækning inkl. alm. Operationsdækning

Gr. 1 og 2  
+ Operationsdækning til Gr. 5

Næseplastik	5.500	13.000
Fjernelse af ondartede modermærker	5.500	13.000
Bræplastik	5.500	13.000
Mundoperation	5.500	13.000
Halsoperation	5.500	13.000
Genopbygning af bryst efter kræft* (i alt)*	18.000	32.000
Fjernelse af tumor på øjenlåg med efterfølgende mikroskopi	5.500	13.000
Operation for øjenlåsretraktion (på tarsal- og levatormuskel)	5.500	13.000
Brystreduktion, hvor kvinden dokumenteret er på venteliste til offentlig operation*	12.750	22.000
Diverse plastikkirurgiske operationer, der ikke er undtaget	5.500	13.000
<b>Organkirurgi</b>		
Brok*	12.750	22.000
Endetarm/kirurgisk behandling af hæmorerider*	7.500	13.000
Elastikbehandling af hæmorerider	5.500	13.000
Fjernelse af blindtarm*	12.750	17.000
Galdesten*	18.000	37.000
Nyresten*	12.000	17.000
Gastric banding*	7.500	13.000
Gastric by-pass*	7.500	13.000
Penis	5.500	13.000
Prostata*	18.000	29.000
Testikel	5.500	13.000
Tyktarm/tyndtarm*	39.000	67.000
Blæreoperation*	12.750	17.000
Fjernelse af polyp i blæren	5.500	13.000
Leveroperation*	18.000	32.000
Lungeoperation*	18.000	32.000
Fjernelse af lymfeknuder	5.500	13.000
Fjernelse af svedkirtler	5.500	13.000
Laparoskopisk fundoplastik*	12.750	17.000
Fjernelse af kræftsvulster*	18.000	32.000
Fjernelse af brysttumorer, f.eks. af brystet*	18.000	32.000

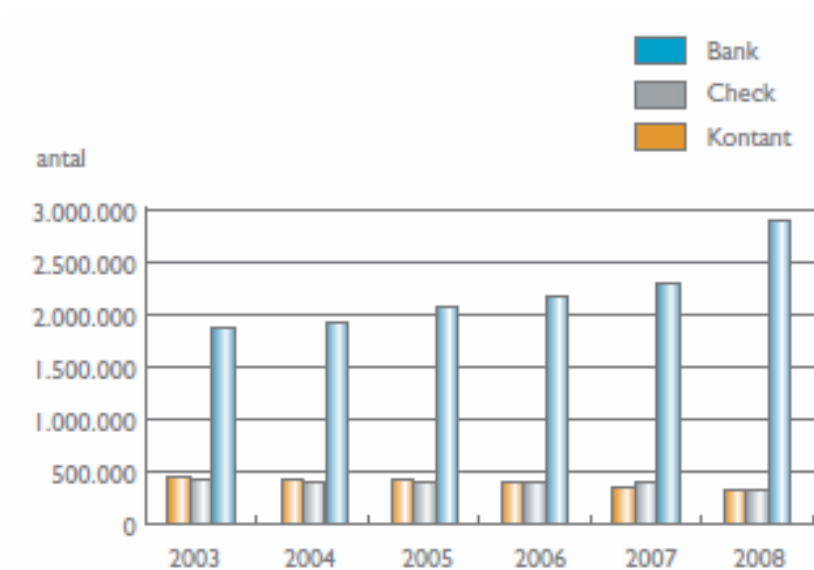
## Udvidet Operationsdækning inkl. alm. Operationsdækning

Gr. 1 og 2  
+ Operationsdækning til Gr. 5

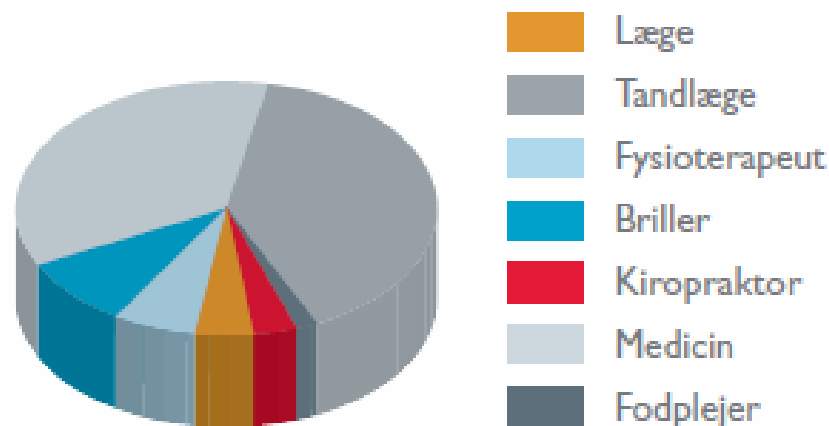
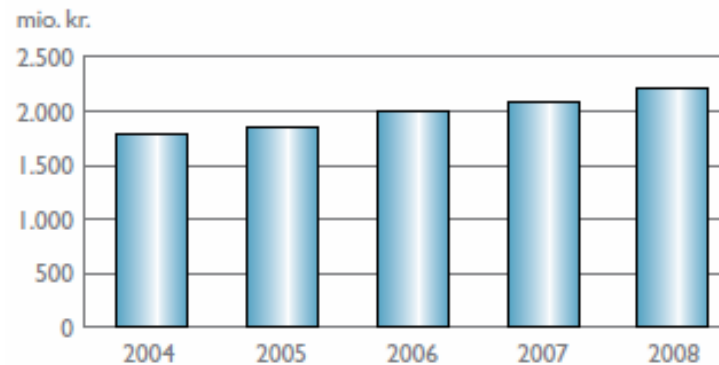
Grå stær	5.500	13.000
Begge øjne opereret samtidigt (samme dag) for enten grøn eller grå stær	8.250	19.500
Skeleoperation	5.500	13.000
Synskorrigerende operation, hvor øjenstyrken er +/-6 dioptrier (udmålt på klinikken) og derover inkl. implantation af intraoculære linser	5.500	13.000
Begge øjne opereret samtidigt (samme dag) for synskorrigerende operation	8.250	19.500
Fjernelse af tåresæk	5.500	13.000
Fjernelse af øje	5.500	13.000
Glaslegeoperation	5.500	13.000
Nethindeoperation	5.500	13.000
Fjernelse af tumor på øjenlåg med efterfølgende mikroskopi	5.500	13.000
Operation for øjenlåsretraktion (på tarsal- og levatormuskel)	5.500	13.000
Diverse øjenkirurgiske operationer, der ikke er undtaget	5.500	13.000
<b>Øre-næse-halskirurgi</b>		
Bihuler	5.500	13.000
Mandler/polypper	5.500	13.000
Mellemøre*	7.500	13.000
Næseskillevæg	5.500	13.000
Næsebrusk/knogle	5.500	13.000
Otosclerosis (tunghøreoperation)*	7.500	17.000
Punktering af kæbehule/mellemøre	5.500	13.000
Fjernelse af spytkirtel	5.500	13.000
Conchotomi*	7.500	13.000
Snorkeoperation	5.500	13.000
Bregangsatri	5.500	13.000
Diverse øre-, næse- og halskirurgiske operationer, der ikke er undtaget	5.500	13.000

## "danmark" payments

- 88% of the bills are electronic
- 78% of the payments are electronic



Udbetalinger



Erstatningernes fordeling i 2008

## Private alternatives

### Mandatory Private Hospital Insurance

Mostly taken from

- [forsikringogpension.dk](http://forsikringogpension.dk)
- "Private syge- og sundhedsforsikringer: Løsning eller problem?" by Kjeld Møller Pedersen
- [Statistikbanken.dk](http://Statistikbanken.dk)
- and own information / calculations



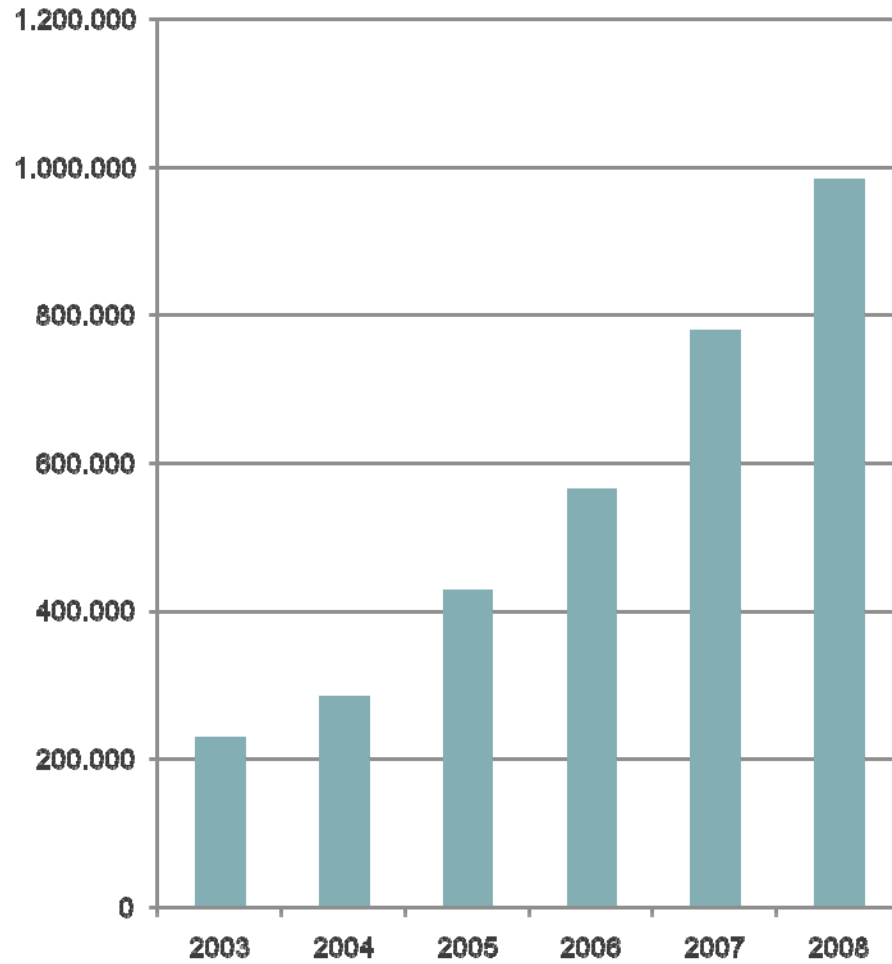
## Private Hospital Insurance

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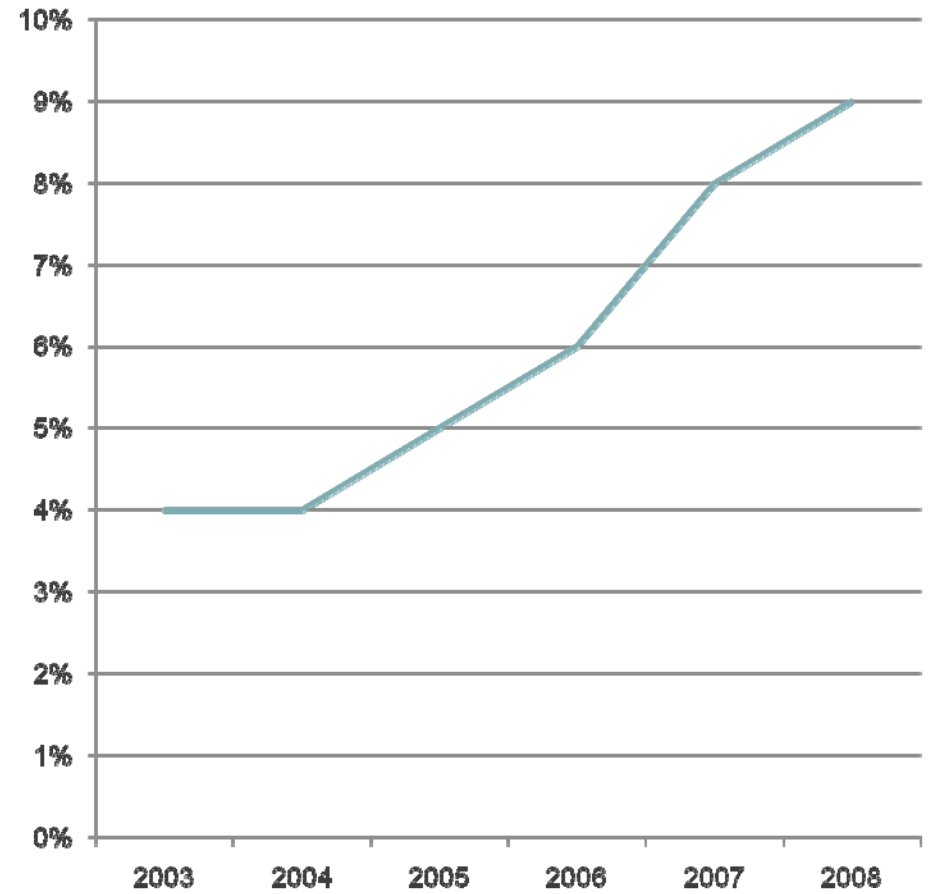
- Was introduced in Denmark in mid 1980's as individual covers with a premium dependant on age
- the individual covers were very low in numbers, but
  - from year 2000 mandatory covers got attention because of the long waiting lists in public hospitals along with low unemployment
  - parliament election in 2001, Private Hospital Insurance were a hot topic and when the right wing side won
    - 2002 premiums became deductible if the cover was offered to all employees in the company
  - In 2005 the first labour unions (the Finance employees) demanded PHI covers at the negotiations with the employers
  - This quickly spread around and newest number (2009) of insured are almost 1 million employees
- (Falck healthcare among other has also launched medical covers, not as insurances but just access to treatment)

## Marked size

### Number of insured

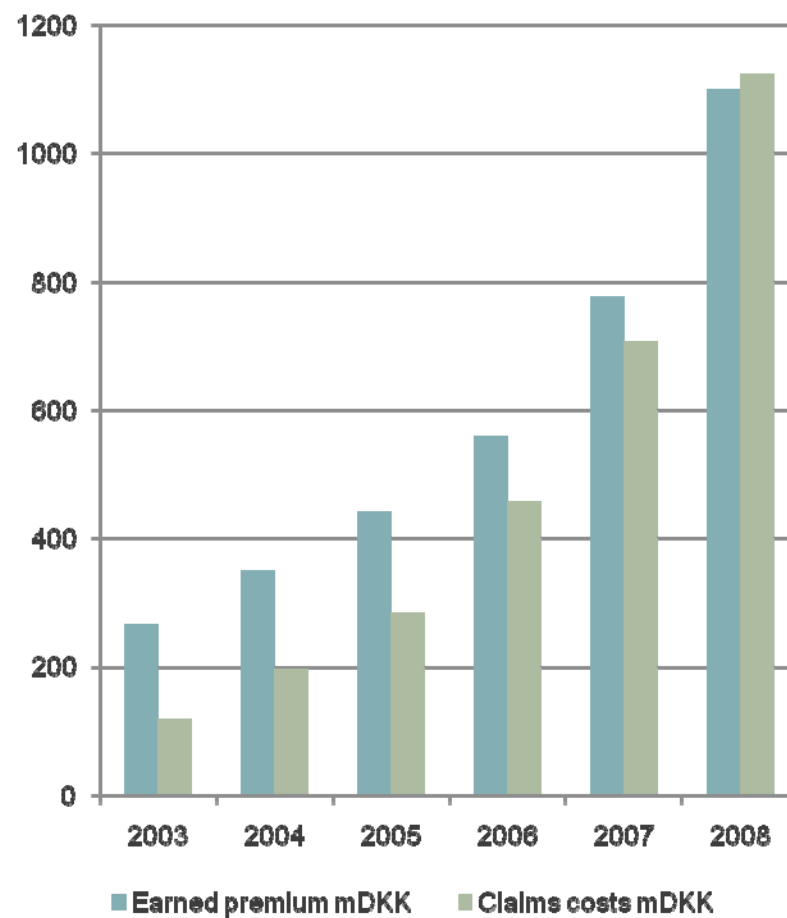
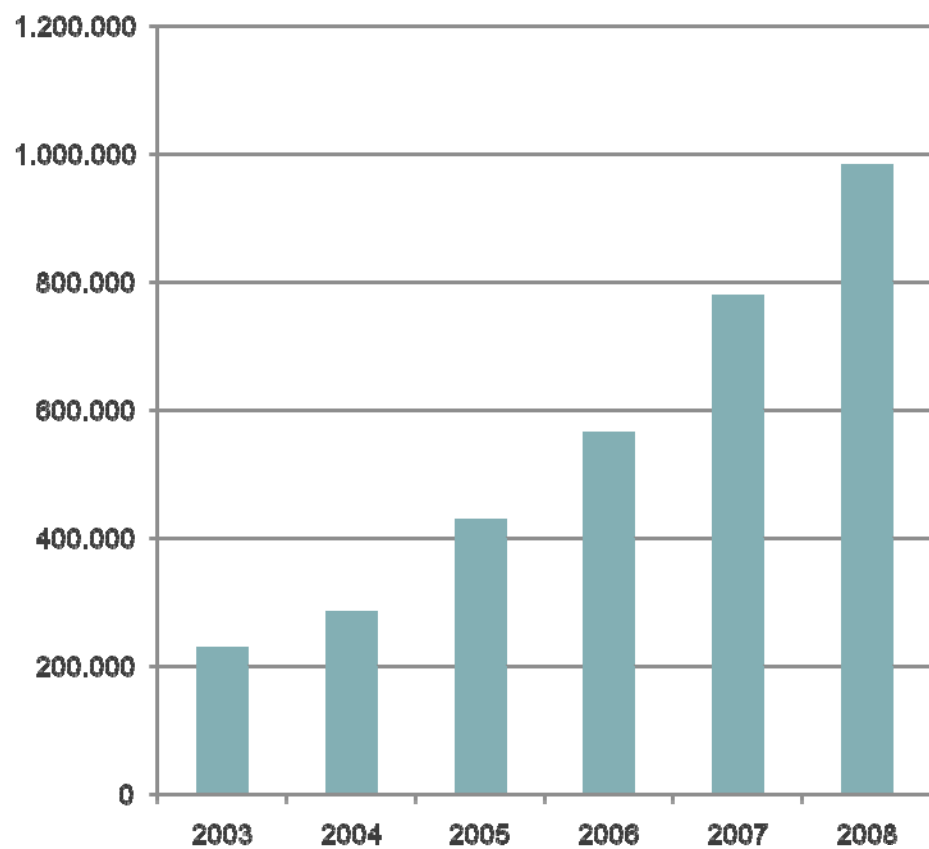


### Number of insured: Pct individual cover



## Marked size

### Number of insured



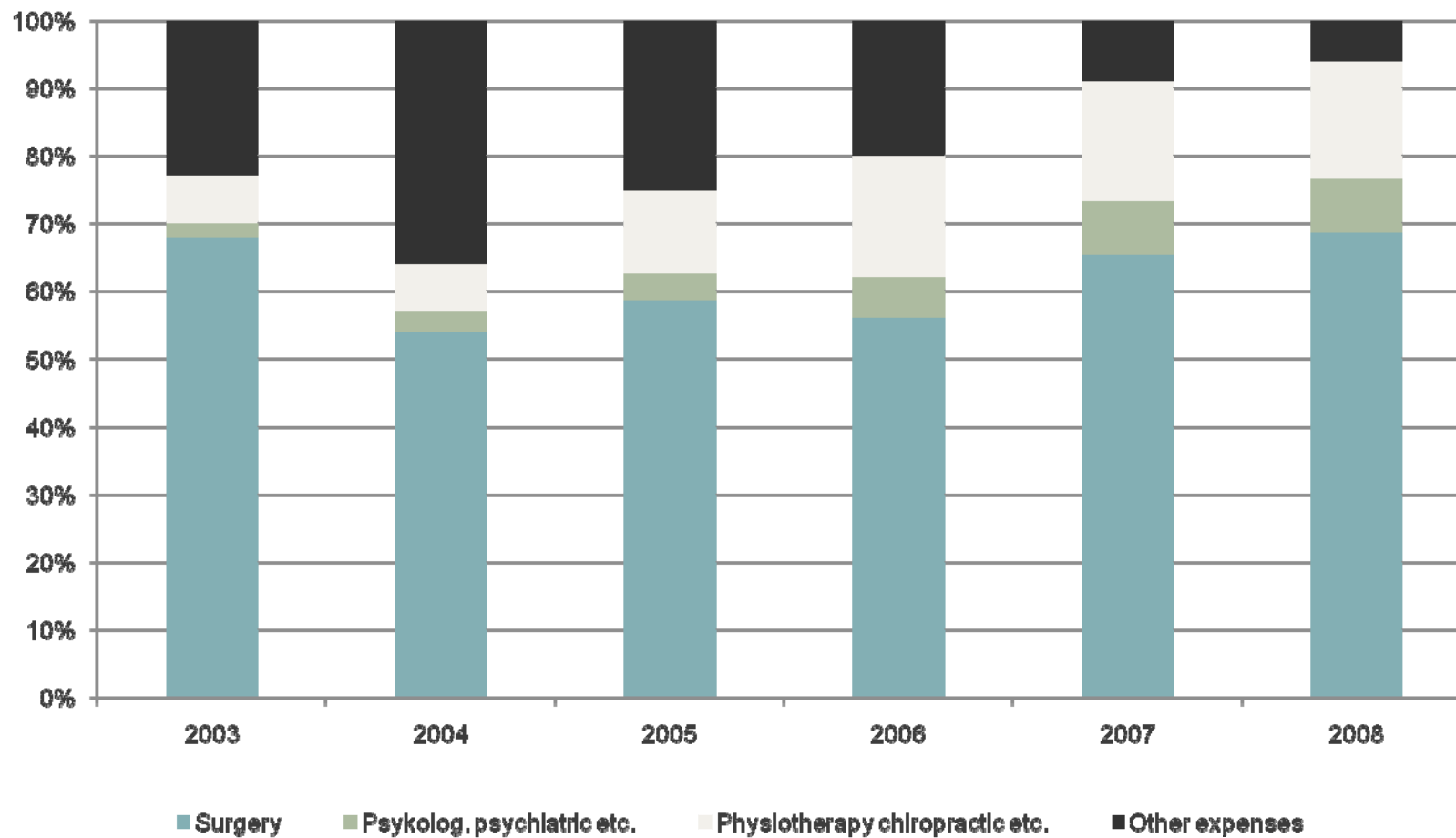
## Private Hospital Insurance Cover

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- All medical necessary treatment and examination
  - Including – with some limitations – physiotherapy, chiropractor, acupuncture, treatment for alcohol abuse, psychologist and psychiatric treatment
  
- Except costs for
  - General Practitioner
  - Private expenses while Hospitalized
  - Alternative treatment
  - Dental treatment incl. surgery
  - The following sicknesses/treatments
    - HIV
    - Organ transplant
    - Chronic diseases
    - Dialyze treatment of chronic kidneys failure
    - Pregnancy and birth incl. Insemination
    - Cosmetic treatment – unless a consequence of a sickness or an accident



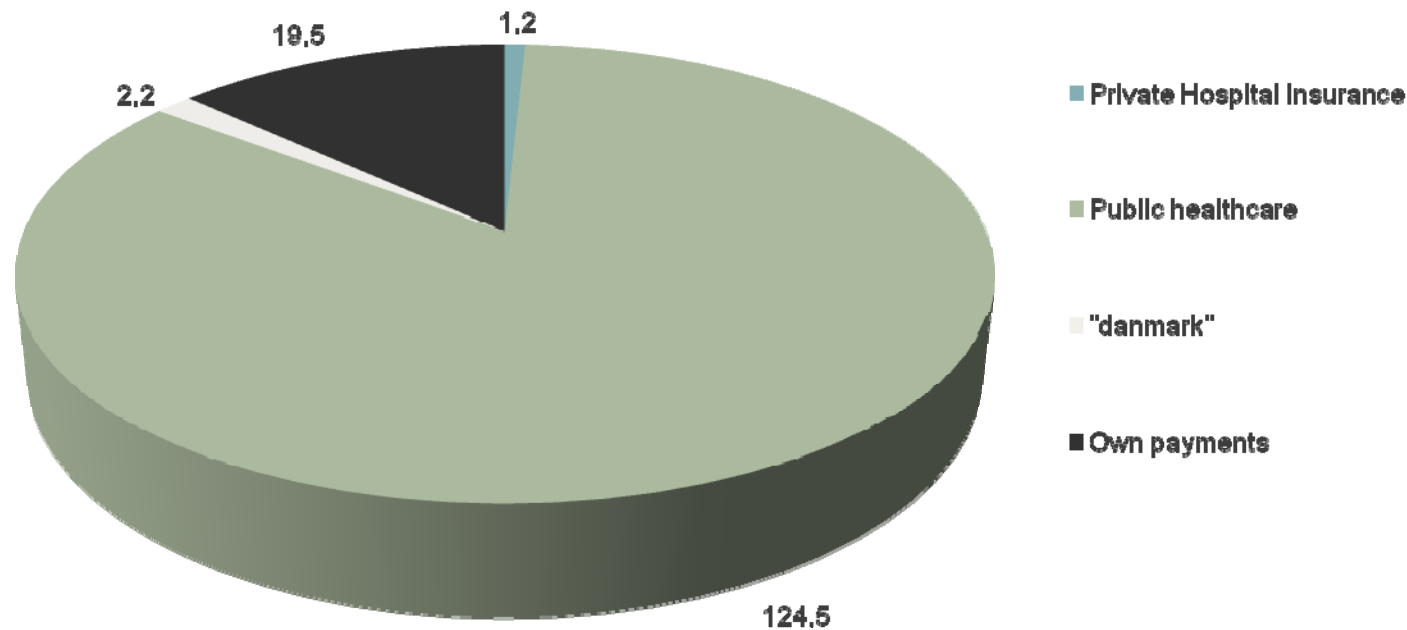
## Use of the insurances – percentage of costs



## Public and private funding

- In 2008 the public expenditure constituted 83% of the total health expenditure and private expenditure constituted 17% of total health expenditure
- Private health care expenditure are mainly covers out of pocket expenditure for pharmaceuticals and dentistry

**2008**  
bn DKK



## Why do employer by hospital insurance

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- Company perch
- Attract and keep employees
- At rare occations a sick employee gets back to work faster than others with out Hospital Insurance
  - However this may not happen at all ..
- Part of the wellness trend
  - More wellness than actual treatment – massage, physiotherapy etc.
  - Employees act like consumers of healthcare

## Discussions at the moment

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### Pro

1. Tax deductible can only be accomplished if all employees are covered
2. Employees getting faster back to work will ensure everybody higher consumption
3. Private funding will supply extra resources to hospitals being able to treat more people

### Con

1. Not all employers has bought hospital cover – in particular has public employees limited access - faster treatment of employees than pensioners and others are not legal because it is not equal and similar access
2. The private hospitals take in fact resources from public sector, which will then decrease in quality and result in waiting lists – this will in turn increase use private hospitals etc.
3. The private funding will result in too many treatments and costs, because of lacking gate keeper function

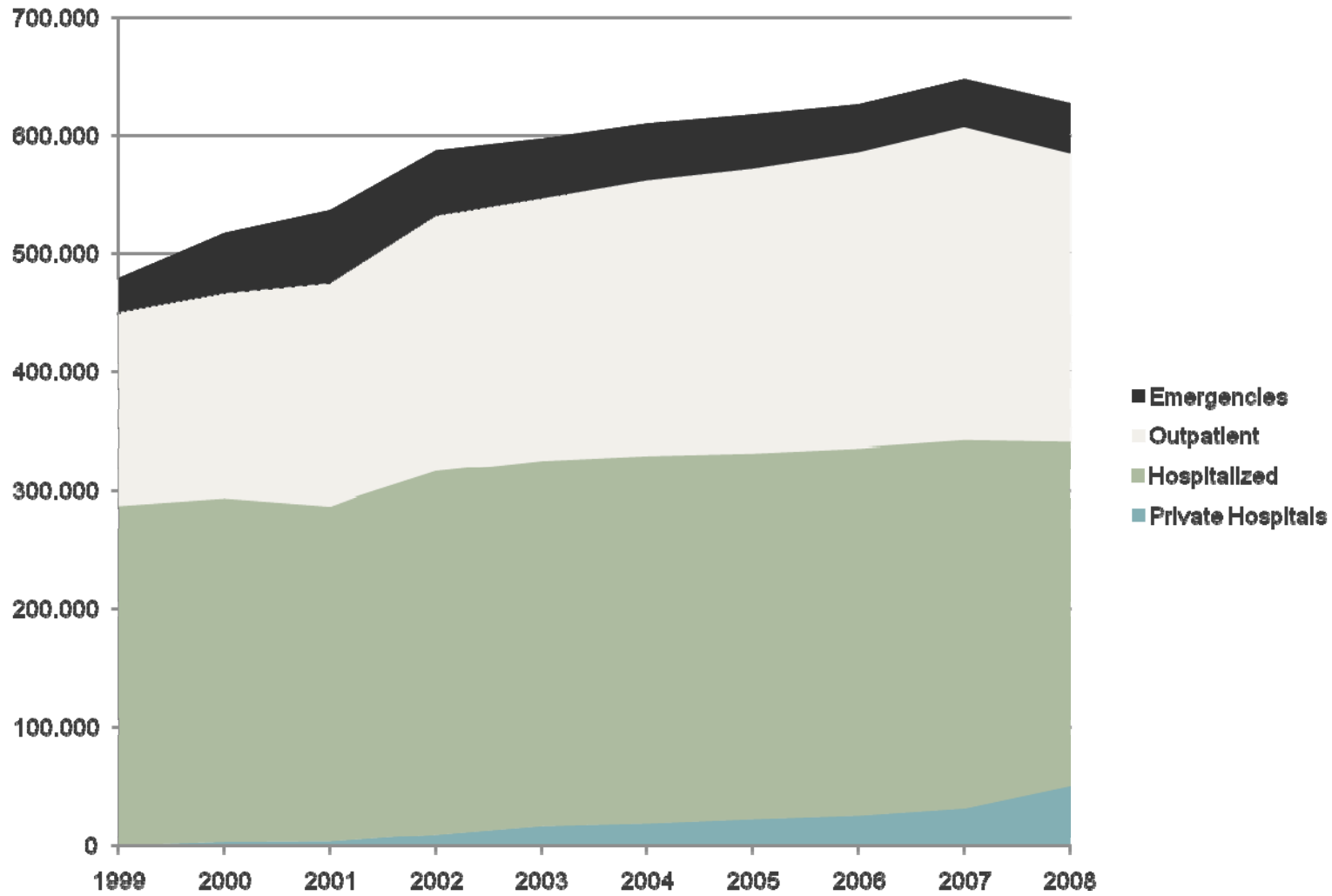
## Current development

Mostly taken from

- Analyserapporter fra Velfærdskommissionen
- "Privat/offentligt samspil i sundhedsvæsenet" by DSI
- Statistikbanken.dk



## Number of hospital treatments



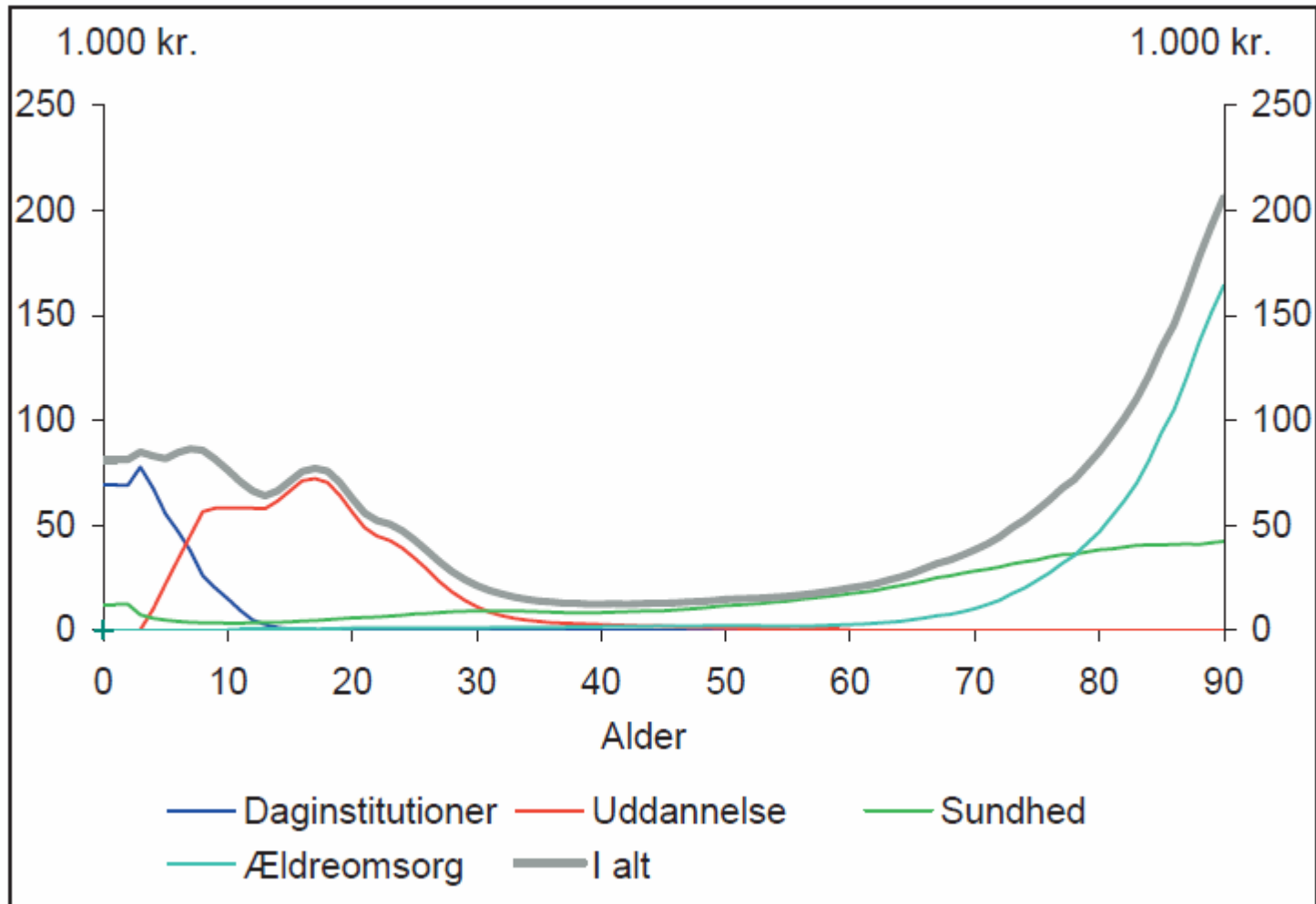


VELFÆRDSKOMMISSIONEN

# Befolkningsudvikling, velstandsdilemma og makroøkonomiske strategier

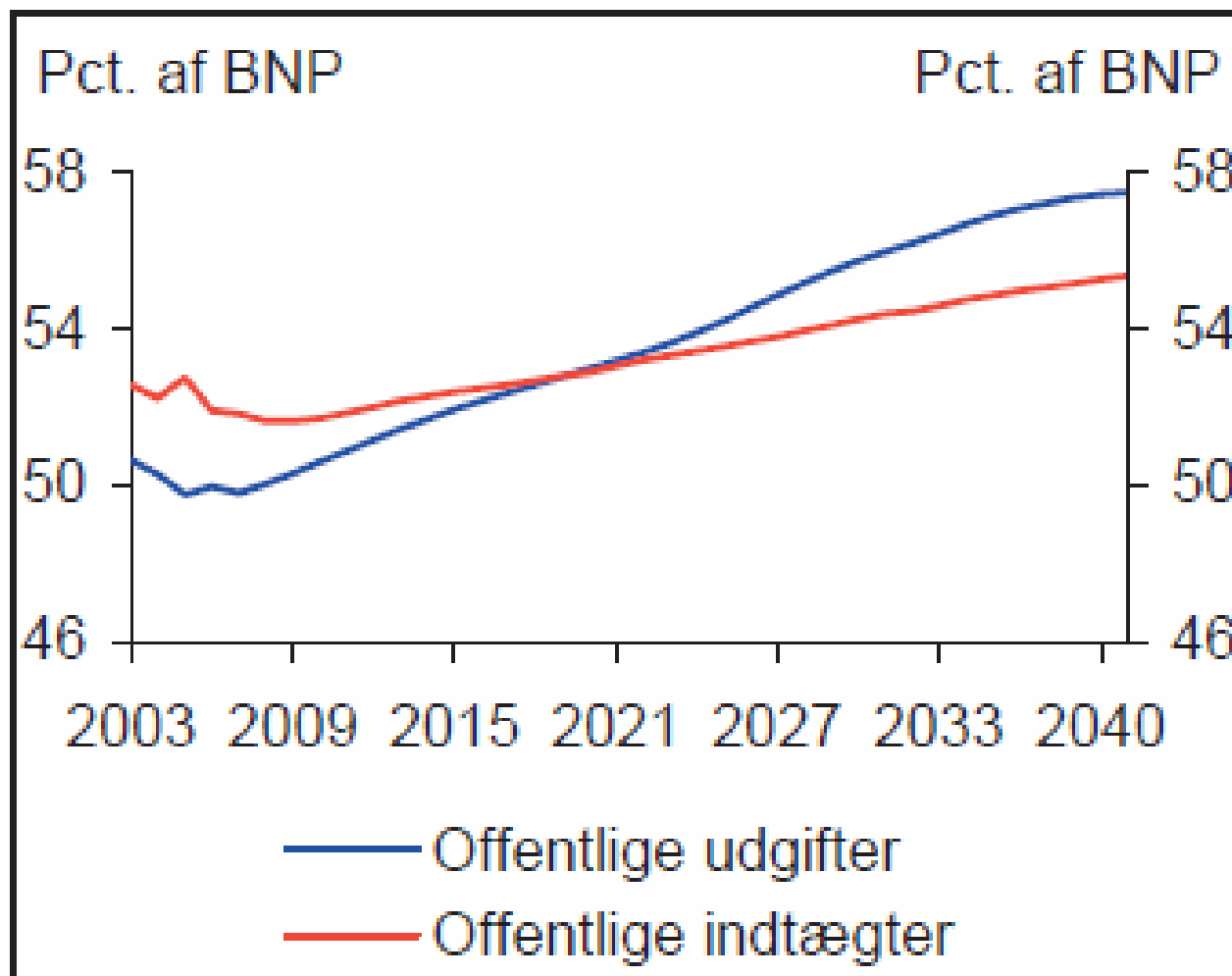
Teknisk analyserapport. November 2005

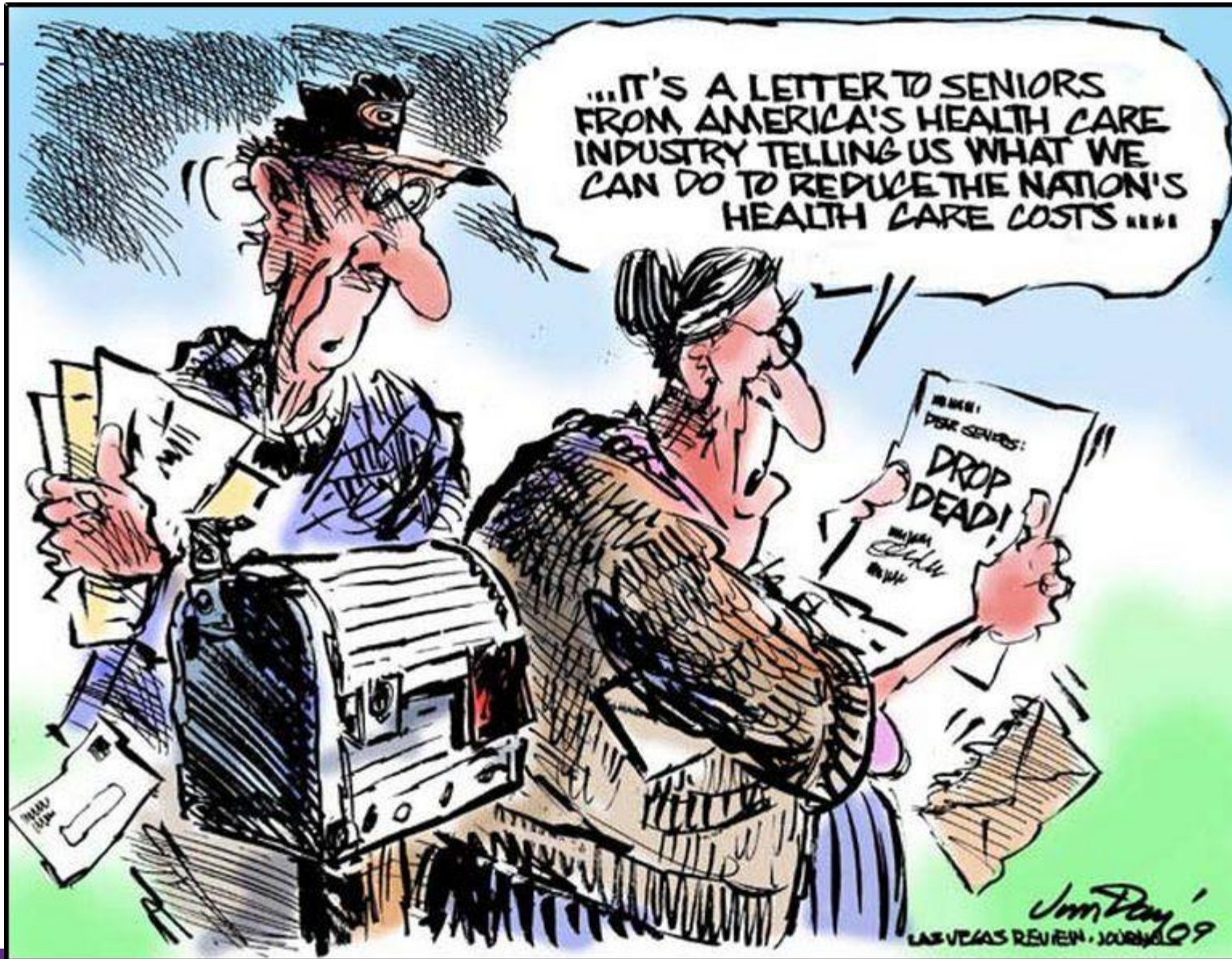
## Welfare costs by age





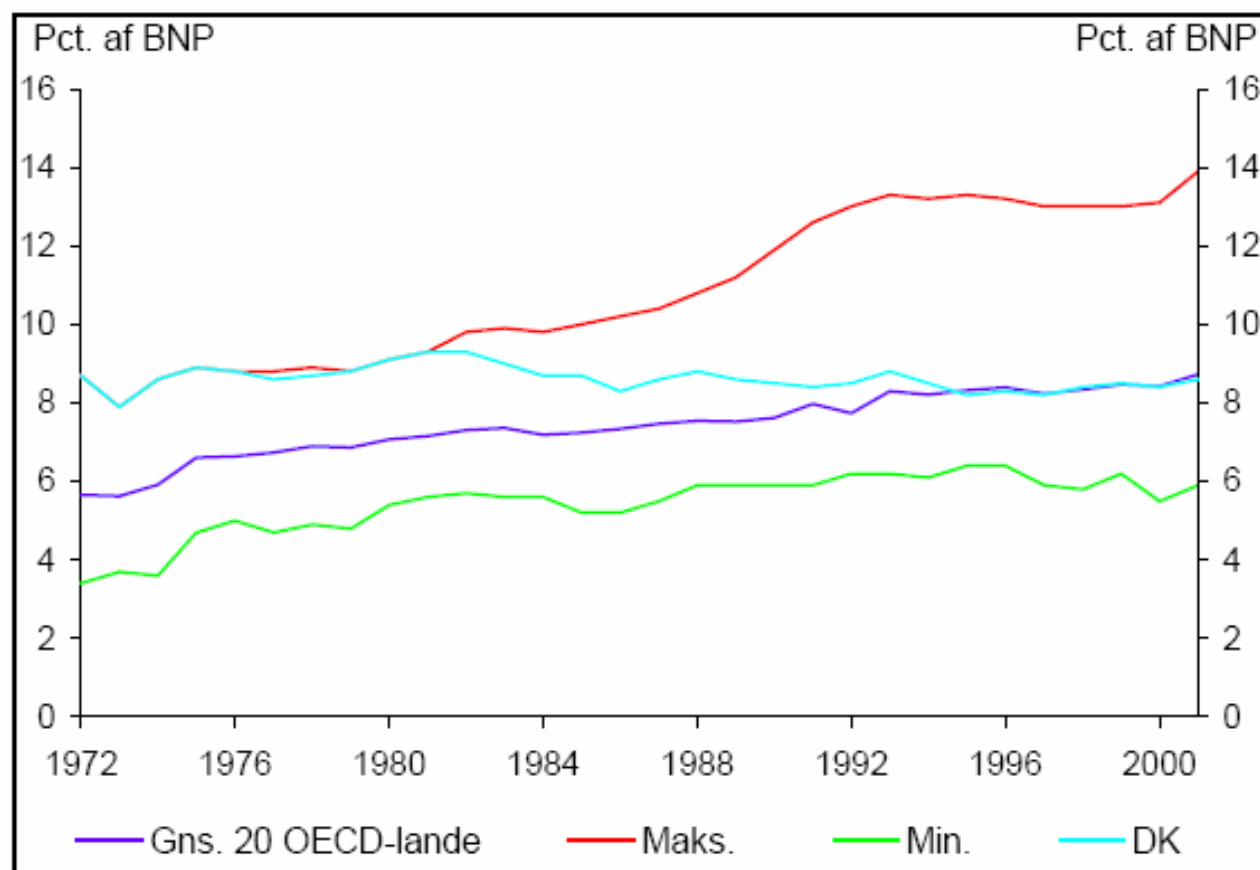
More public expenses than income – if nothing changes ...





## Development in the total healthcare costs

Figur 10.11: Udviklingen i totale sundhedsudgifter, 1972-2001



Anm.: I 1991 indgår Tyskland ikke i gennemsnittet på grund af manglende data. Før 1990 omfatter de tyske data kun Vesttyskland.

Kilde: OECD Health Data 2004.

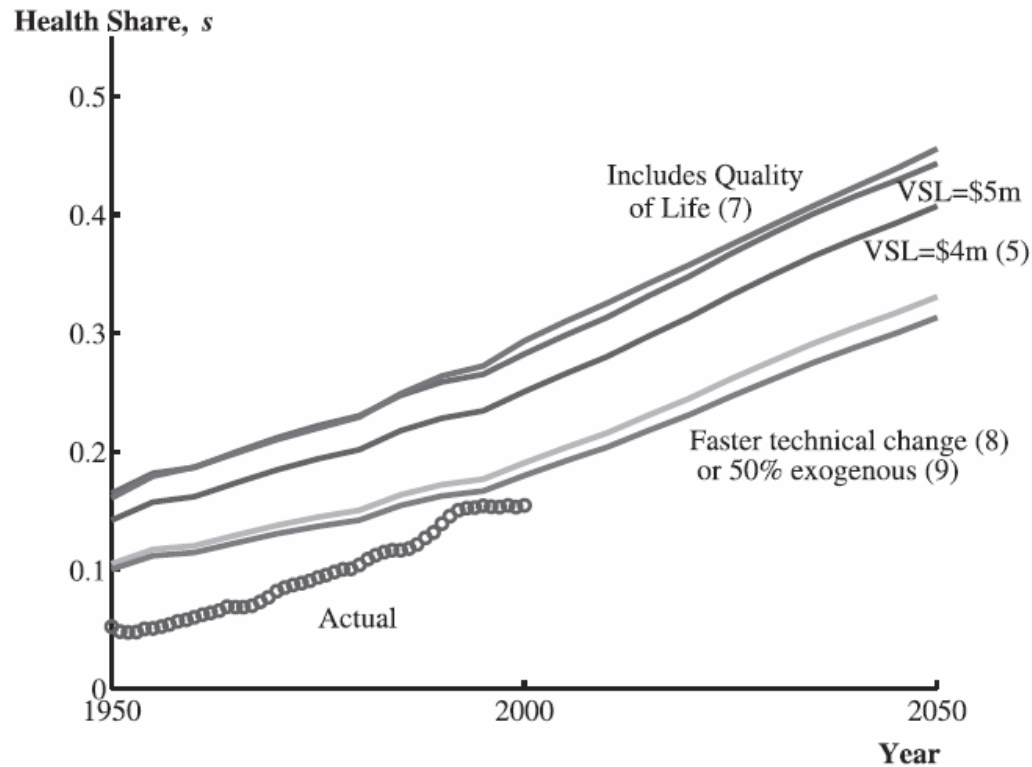


FIGURE VI

Robustness Checks: The Health Share of Spending

Note: Circles show actual data for the health share. Solid lines are predictions of the model under alternative scenarios (the scenario numbers in parentheses correspond to those reported in Table II). Scenarios 5 and 6 allow the empirical value of life in 2000 to be higher, at four and five million dollars. Scenario 7 allows quality of life terms to enter utility. Scenario 8 assumes that technical change in the health sector is 1 percentage point faster than in the rest of the economy. Scenario 9 assumes that 1/2 of the decline in age-specific mortality (rather than our baseline value of 2/3) is due to technological change and increased resource allocation.

Hall, R. E. & C. I. Jones (2004): The Value of Life and the Rise in Health Spending, Working paper Stanford University and U. C. Berkeley.

## Now what – Denmark

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- Are the free market the best way to control healthcare costs and development ?
  - Are healthcare about to be a commodity like any other ?
  - If so is this a good thing to support, or something we should avoid ?
- Do we need to re-think what we mean by "free and equal access" ?
  - Is it everything one can define as healthcare or
    - just the most important parts ?
  - How does this fit in the Scandinavian Welfare State
    - and the Danish Flexicurity ?
- What if we chose to spend 30-40% of our income on healthcare ?
  - Should funding be through taxes ? Or without taxes ?
  - If something in between – how do we make the split ?
- Can we use experience from other countries
  - The Healthcare Account – Singapore / Taiwan ?



# WHO 2000 – Health Care Systems

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## Objectives:

- improving the health of the population they serve
- responding to people's expectations
- providing financial protection against the costs of ill-health

How fairly should the burden of payment be distributed ?

Can the rich and healthy **subsidize the poor and sick?**

- to ensure fairness and financial risk protection, there should be a high level of **prepayment !**
- risk should be **spread** (from low to high health risk) !
- the poor should be **subsidized** (from high to low income) !
- **fragmentation** of pools or funds should be **avoided !**
- strategic purchasing to **improve** health system **outcomes** and responsiveness !

