

Ageing Finland shakes up its healthcare system

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Finland on Monday unveiled a healthcare shake-up intended to cut the ballooning costs of treating a rapidly ageing population, as the country battles to pull itself out of three years of recession.

"This is a historic and significant reform, which involves (reorganising) over 20 billion euros (\$21.5 billion) in expenses, some 250,000 employees and citizens' everyday life," one of the reforms' chief architects, Tuomas Poysti, told AFP.

The country's three-party ruling coalition had reached an agreement on the reforms in the early hours of Saturday following tense overnight negotiations and the threatened resignation of Prime Minister Juha Sipila and the collapse of his government.

The government said it expected the changes—the country's most significant policy shake-up in decades—to save around 3 billion euros (\$3.23 billion) by 2029.

Finland's ageing population has already sent the costs of the most expensive specialist healthcare, such as surgery, soaring, rising by five percent in 2012 alone.

The proportion of over-65s in the Nordic country, which has a population of 5.4 million, is expected to reach 26 percent by 2030, up from 19 percent at present.



The government said the reforms would enable it to reduce the annual rise in healthcare costs from the current 2.4 percent to 0.9 percent.

The changes involve merging 200 administrative social and healthcare regions into just 15.

Many details of the new system remain to be hammered out and the consequences for Finns are not yet known, from the number of local healthcare centres to the fate of 250,000 public sector employees.

But the government did reveal that full-scale, around-the-clock emergency services would in future be available at only 12 hospitals compared to the current 19.

The reorganisation involves new regional polls to elect politicians to run the new administrative regions, tax reforms and more freedom for Finns to choose between public, private and non-profit healthcare providers.

Finland has been in recession since 2012, a situation blamed on its falling competitiveness, ageing <u>population</u> and the economic woes of its major trading partners, Russia and the European Union.

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