

Swedish study finds highest quality in residential elder care homes without profit incentives

February 27 2024, by Ulrika Lundin



Credit: Pixabay/CC0 Public Domain

The consequences of privatization for Swedish welfare have been discussed for many years, especially concerning elderly care. Today,

about 20% of all residential care homes are run by non-municipal actors. A [new study](#) published in the *Journal of Public Administration Research and Theory* shows that these actors succeed differently at delivering high-quality care to the elderly.

"Residential care homes run by non-profit organizations have the highest quality. The lowest quality is provided by residential care homes run by publicly traded companies and private equity firms. In between these are residential care homes run by private limited liability companies," says political scientist Rasmus Broms.

He, together with two other [political scientists](#), Carl Dahlström and Marina Nistotskaya, has investigated how the form of operation affects the quality of non-municipally run residential care homes in Sweden. The researchers compared four different forms of operation: non-profit organizations, private limited liability companies, publicly traded companies, and private equity firms.

They examined staff density, access to nurses, staff education level, resident satisfaction, and how well the homes updated their action plans. The analyses are based on 2,639 non-municipal nursing homes between 2012 and 2019.

The results thus show that non-profit organizations such as ideologically driven operations generally provide the highest-quality elderly care in Sweden. These do not engage in profit distribution but reinvest their financial surplus in the business.

"Here we see the highest staff density, many nurses, the most competent care staff in terms of education, and the most satisfied users."

Among the profit-making care companies, quality is highest in homes run by private companies. These homes are characterized by high staff

density and the staff are generally better educated compared to homes run by companies that are publicly traded or owned by private equity firms.

"Although we have not studied municipally run facilities more closely in this survey, we see that municipal residential care homes in terms of quality are in between those run by non-profit organizations and private companies. Our analyses show that non-municipal actors can deliver high-quality welfare services but that there are significant variations. This is worth considering when a municipality procures the operation of a home," says Rasmus Broms.

The analyses are based on data from Statistics Sweden's general business register of 2,639 non-municipal nursing homes. The quality indicators are taken from the National Board of Health and Welfare's national unit and user surveys for special housing for the elderly. The survey period covers seven years between 2012 and 2019.

More information: Rasmus Broms et al, Provider Ownership and Indicators of Service Quality: Evidence from Swedish Residential Care Homes, *Journal of Public Administration Research and Theory* (2023). [DOI: 10.1093/jopart/muad002](https://doi.org/10.1093/jopart/muad002)

Provided by Swedish Research Council

Citation: Swedish study finds highest quality in residential elder care homes without profit incentives (2024, February 27) retrieved 2 May 2024 from <https://medicalxpress.com/news/2024-02-swedish-highest-quality-residential-elder.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.