

Health insurance - particularly compensation for private medical and dental care

Health insurance is used to finance health care in many western industrial countries. It can be public or private. Public health insurance is the main form of financing health care in Central Europe. Finland has had a national health insurance system for about 50 years. One aim when the system was introduced was to shift emphasis from in-patient to out-patient care. Other objectives were to improve access to services in different parts of the country and to reimburse lost earnings.

Finland's health insurance system is quite wide-ranging in both operational and money terms. It includes compensation for lost earnings as well as the cost of medical care. The audit focused on one aspect of the health insurance system, namely compensation for private medical and dental care. In 2010 compensation from the Social Insurance Institution for this purpose amounted to about 190 million euros.

The audit sought to determine whether health insurance compensation for private medical and dental care promotes citizens' equal opportunities to supplement public health care services at reasonable cost. To do this the audit compared the strategy adopted by the Ministry of Social Affairs and Health with the current state of the health insurance system, in the light of guaranteed access to treatment and transparency. The audit also examined how compensation is spread among different parts of the population and what effects increases in compensation have had.

The audit found that many features of the present system weaken citizens' equal possibilities to use health insurance to supplement public health care services. The system is highly complex, and it is difficult for citizens to know in advance how much they will have to pay out of their own pockets. The system includes roughly 2,500 tariffs and uses complex terminology that is difficult for citizens to understand. In the opinion of the National Audit Office, the Minis-

try of Social Affairs and Health investigate means to make the system more understandable.

Another finding was that compensation is divided unequally not only regionally but also according to gender and income level. Urban dwellers in southern Finland and women receive a larger share of compensation than other groups. Compensation also increases with income. Furthermore, any rise in tariffs is partly absorbed by medical and dental fees rather than benefiting patients. In the opinion of the National Audit Office, the Ministry of Social Affairs and Health should study means to curb costs. This includes making it easier to compare prices and giving citizens better access to information.