

INTEGRATED HEALTHCARE AND SOCIAL WELFARE FOR 200 000 INHABITANTS – Case PÄIJÄT-HÄME / FINLAND

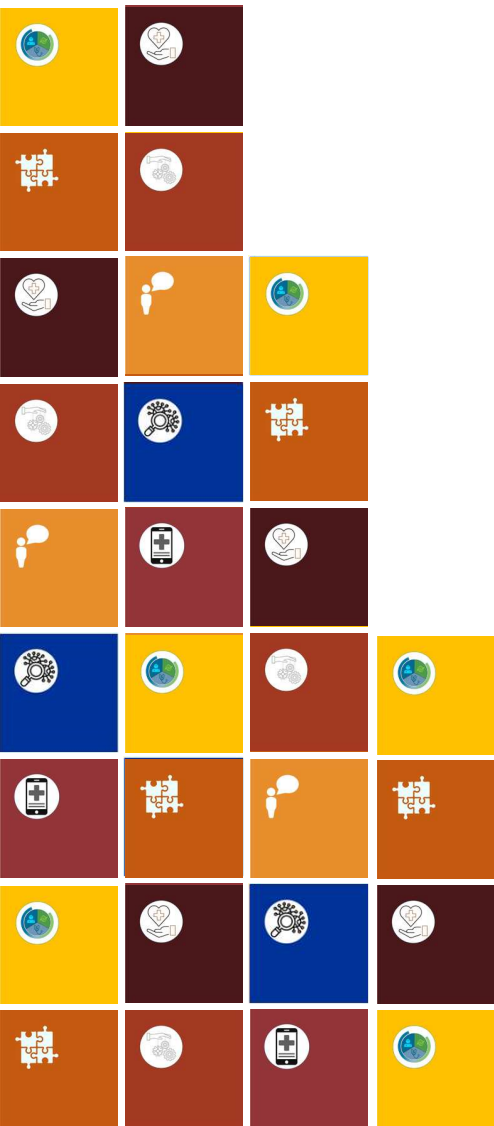
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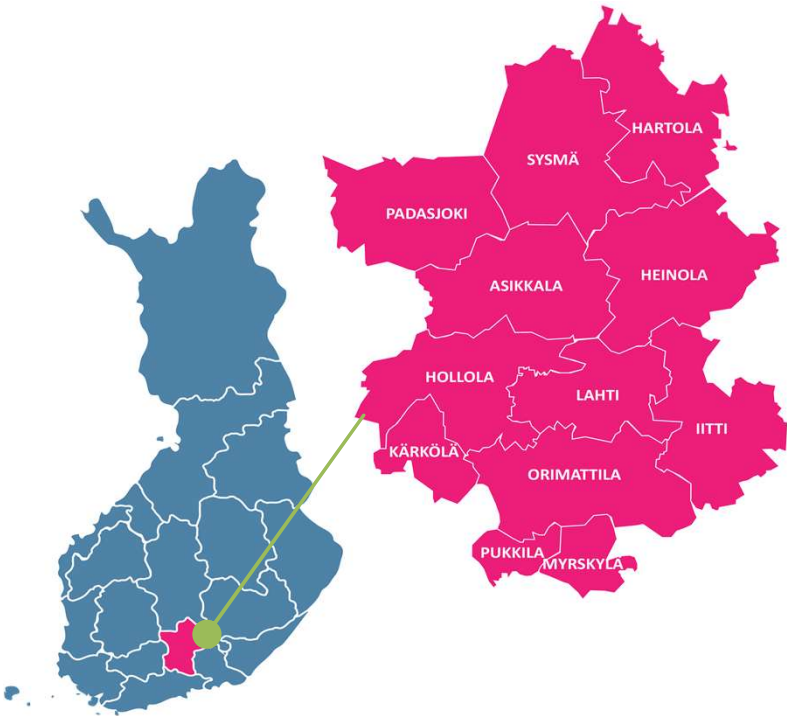


Introduction

- Municipalities and hospital district of Päijät-Häme are creating create **fully integrated healthcare and social welfare** for 200 000 inhabitants of the region
 - The new organization Päijät-Häme Joint Authority for Health and Wellbeing (**PHHYKY**)
- The purpose of this study is to identify how a fully integrated system will resolve the current challenges researched
- This study is based on preparation and implementation of a PHHYKY **reform and transformation program** aimed to improve the **customer-orientation, integration, employee experience, value and cost-effectiveness of the services organised and provided**



Päijät-Häme Joint Authority for Health and Wellbeing

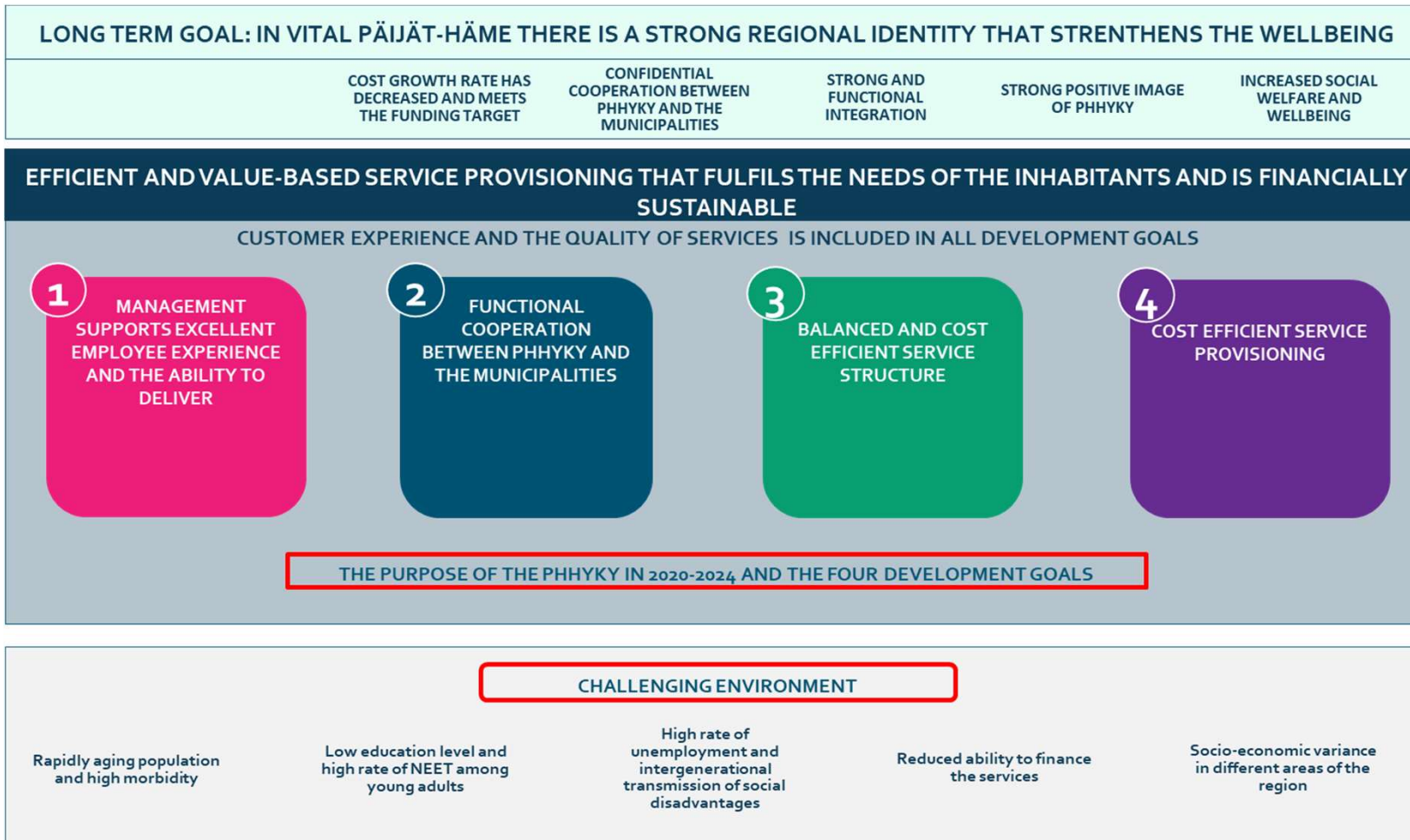


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Methodes

- Project Cycle Management (PCM) and Logigal Framework (LFA) based preparation and implementation of the work (Dey, P., Hariharan, S. and Brookes, N. 2006)
- Preparation of the reform and transformation program included:
 - Thorough baseline analysis of actual situation including
 - 85 stakeholder interviews (management, local politicians and trustees)
 - survey for personnel (2127 responses)
 - extensive data-analyses and benchmarking to similar organisations in Finland
 - detailed cost-benefit analysis and plan how the benefits can be achieved
- Nordic Healthcare Group (www.nhg.fi) has supported the PHHYKY in planning and implementing the program

The LFA objective tree of the reform and transformation program



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Results

- The main findings of the Päijät-Häme region compared to the average of Finland according to the conducted analyses were:
 - Rapidly aging population and high morbidity
 - Low education level and high rate of NEET among young adults
 - High rate of unemployment and intergenerational transmission of social disadvantages
 - Reduced ability to finance the services
 - Socio-economic variance in different areas of the region
- Main strengths of the Päijät-Häme are e.g. two high quality and cost efficient hospitals, and well organized elderly care

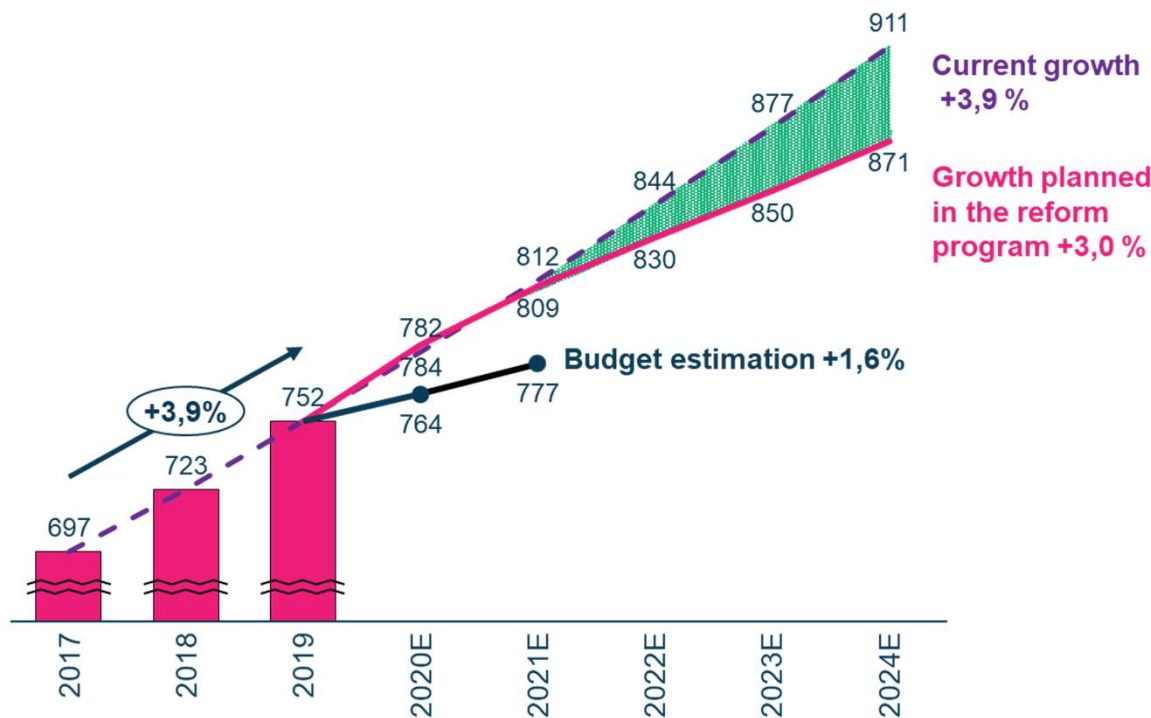
Results

- Overall object goes beyond healthcare and social welfare; it is the vitality of the Päijät-Häme region
- The main purpose of the reform and transformation program was defined to be **efficient and value-based** service provisioning that **fulfils the needs of the inhabitants** and is **financially sustainable**
- Long-term goals are
 - **fully integrated services**
 - measurable decrease in social and health problems
 - good cooperation between PHHYKY and municipalities (owners/financiers)
 - controlled and sustainable cost growth and positive brand
 - All the tasks to achieve the goals have been projected and assigned. The cumulative cost reduction potential is **87M€ in five years** (the budget of PHHYKY is **800M€ per annum**)

FINANCIAL OVERVIEW: ESTIMATED GROWTH AND THE REFORM PROGRAM



THE GROWTH OF THE OPERATING EXPENSES, M€*



THE GROWTH RATE OF THE OPERATING EXPENSES HAS BEEN 3,9 % IN 2017-2019.

THE BUDGET FOR 2020 IS SIGNIFICANTLY LOWER THAN THE TREND AND IT IS ESTIMATED THAT IT WILL BE MET

THE BUDGET OF 2021 WILL BE REMARKABLY RIGOROUS IN EXPECTED LEVEL AND GROWTH.

THE TASKS OF THE REFORM PROGRAM ALONE WILL NOT BE ENOUGH TO MEET THE EXPECTED BUDGET. THERE WILL BE NEED FOR ADDITIONAL ACTIONS FOR COST REDUCTION

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Discussion

- The increasing complexity of the health/social challenges urgently requires coordination and integration of cross-organizational processes and paths
- A vast majority of the population (90%) may not benefit significantly from the integration due to their only occasional need for services, but the **high demanding minority (10%) produces 81% of the total costs of all healthcare and social welfare services in Finland**
- Päijät-Häme will create a fully integrated organisation which is future-proof in a changing and challenging environment
- The Finnish health sector legislative reform (<https://soteuudistus.fi/en/frontpage>) is aiming to introduce similar models in nationwide

Discussion

- The lessons learned in PHHYKY can be applied while creating population-wide integrated systems, when essential structural and cultural prerequisites are taken into consideration, e.g.
 - Reimbursement model
 - ICT infrastructure and architecture
 - Regional demographics and characteristics
 - Cultural characteristics
 - National legislation
- **The integrated organization has proved its strong power during the Covid-19 crisis – rapid reallocation of personnel, specialized units for respiratory syndroms, fast decision making etc.**

References

- Dey, P., Hariharan, S. and Brookes, N. (2006), "Managing healthcare quality using logical framework analysis", *Managing Service Quality: An International Journal*, Vol. 16 No. 2, pp. 203-222. <https://doi.org/10.1108/09604520610650655>
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