Overview of the Icelandic Health Care System

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General information on Iceland

- Iceland is 103,000 square km in area –
- The coastline is 4,970 km in length
- Inhabitants 334,300 (1. April 2016)
- Most built-up areas are around the coastline
- Over 60% living in and around Reykjavik
- Independence in 1918
- Establishment of the republic in 1944
- Parliamentary democracy
- Two administrative levels; local and national
- 74 municipalities
Só yfir höfnina til Eldfells í byrjun febrúar 1973. SJ
Eyjafjallajökull 2010
The Icelandic Health Care System

- Founded on values similar to those of other Nordic countries.
- Easy and equal access to good health care services for all citizens.
- Health centers providing primary care are located throughout the country and are sometimes run jointly with small hospitals or health institutions.
- Specialized hospital services are provided at Landspítali University Hospital in Reykjavik and Akureyri Hospital and a few other hospitals and healthcare facilities.
Main objective of the Health Services Act No 40/2007
...all people of Iceland shall have access to the most optimum health service that can be provided at any time

The service
- Universal health care system
- Paid for by taxes (80 - 85%)
- Administated by Ministry of Welfare.
Health services

- Health care Regions (7)
- Main hospitals (2)
- Regional Hospitals (6)
- Health Institutions (8)
- Primary Health Care Centers (approx. 60)
Deliveries 2013
Total 4,480

In homes 95
Ambulances in Iceland 2014
The Air Ambulance over Akureyri
Helicopters are important in Iceland
Medical doctors part of helicopter crew
Health and Social Indicators

- Life expectancy at birth in Iceland is among the highest in the world at 83.7 years for females and 80.5 years for males.
- Infant mortality is the lowest in the world at 1.3 per 1000 live births.
- Maternal mortality is the lowest in the world at 3 deaths per 100,000 live births.
- Fertility rate slightly declining - 1.9 births per woman in 2014 – 2.3 births per woman in 1990.
- Still favorable demographics – relatively young population.
Health and Social Indicators

- Euro Health Consumer Index 2015 ranks Iceland in 8th place out of 35 countries: Patients have good rights and are well informed. Waiting time for services is relatively short and the results of treatment one of the best in Europe.

- Good results in the prevention of smoking. In 2013, 11.4% of adults in Iceland smoked daily, compared with 19.7% in the OECD countries on average.

- In 2013, 22.2% of the population in Iceland aged 15 years and over was obese. This is higher than the OECD average of 19%.

- Participation in the National vaccination program for children in Iceland is about 91% which is acceptable.
• In general, Icelanders are more satisfied with their lives than the OECD average. When asked to rate their general satisfaction with life on a scale from 0 to 10, Icelanders give it a 7.5 grade, one of the highest scores in the OECD, where average life satisfaction is 6.6.

• The total health expenditure in Iceland in 2014 amounted to 176 billion ISK, 8.8% of GDP which is lower than the other Nordic countries except Finland.

• Of the total health expenditure in 2014: 55.7% was spent on in-patient care, 27% on out-patient care and 15% on medical goods dispensed to out-patients. The remaining part or 2.3% went to health administration and other health categories.
The Financial Crisis hit Iceland hard

- In 2008, the Icelandic banking system collapsed – economic recession and a severe currency crisis followed
- The Emergency Act set and capital controls imposed to prevent further depreciation of the currency
- Sharp decline in GDP and rising unemployment
- Financial support from IMF and neighbouring countries
- Public debt and Interest expense as a % of GDP soared
- Severe cut in public expenditure
- Social protection system kept in place
High unemployment following the crisis
Public expenditure on health care, education and social protection
Health expenditure cuts

Cuts in GDP and health expenditure growth

Pre and post crisis health expenditure growth

% change in annual GDP growth (pre and post 2008)

% annual health expenditure growth (2000-2009)
The employment rate is very high in Iceland. In 2015 the average OECD employment rate was 66.2% of the working age population, while it was 84.7% in Iceland.

Iceland has the highest labor force participation rate of women among the OECD countries, the rate being 79.6 percent, and the second highest among men, being 83.7 percent.

Low unemployment rate in Iceland, in 2014 it was 5.1% compared to the OECD average of 7.5%. In March 2015 unemployment in Iceland was 3.8% and 2.5% in March 2016.

Retirement age in Iceland is 67 years, which is mirrored in high labor market participation rates for workers aged between 60 and 69, the highest observed in the OECD.
Financing

» There is fixed budget in all hospitals – in 2017 Landspitali will be financed based on DRG – Akureyri hospital will follow in 2018 – the goal is to finance all regional hospitals based on similar principals in the future.

» The budget is also fixed in primary care – new financing system for primary care in Reykjavik and surrounding area 2017 based on ACG. The goal is to use that model in all primary care centers all around the country.

» Fee for service is used for financing outpatient private practice and that model will be evaluated later.
New reimbursement model in primary care

» The model is based on the reimbursement model from Västra Götaland in Sweden

» Objectives
  ▪ One reimbursement model for all primary care centers
  ▪ More equal division of budget
    • Reflecting patients of the primary care center
  ▪ Transparency in reimbursements
  ▪ The same requirements for the operation of primary care whether it is publicly or privately run
  ▪ Defined quality control and follow-up
New reimbursement model in primary care

» The model

<table>
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<tr>
<th>Age and sex</th>
<th>ACG casemix</th>
<th>Other rules</th>
<th>Socioeconomic factors</th>
<th>Coverage</th>
<th>Quality indicators</th>
<th>Special missions</th>
<th>Visits</th>
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<td>41,1%</td>
<td>41,1%</td>
<td>7,4%</td>
<td>0,4%</td>
<td>3%</td>
<td>4%</td>
<td>1%</td>
<td>2%</td>
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<tr>
<td>Age and sex</td>
<td>All ICD-10 diagnoses</td>
<td>School-nursing, Interpretation services, Psychological care</td>
<td>Seven factors</td>
<td>Visits in primary care/some other outpatient healthcare</td>
<td>Eight indicators</td>
<td>VERA</td>
<td>Visits from other areas</td>
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Takk fyrir - Thank you