STATEMENT

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European Commission

Subject: European Semester / Recovery and Resilience Plan

SOSTE Finnish Federation for Social Affairs and Health is the umbrella organization for national social and health organizations. SOSTE is a social and health policy advocate and expert organization that works to promote the conditions for social wellbeing and health in collaboration with its member organizations. SOSTE has over 240 national social and health organizations as full members and nearly 70 other social and health sector entities as associate members.

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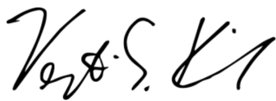

Vertti Kiukas
Secretary General

SOSTE appreciates the opportunity to contribute to the European Commission's consultation on the European Semester.

HEALTH CARE

1. How is the balance between accessibility of health care services and efficiencies achieved?

a. What measures are or should be taken to decrease the unmet need for medical care in general and regional disparities in particular?

The previous government strengthened the waiting time guarantee for non-urgent primary healthcare, reducing the maximum waiting period to 14 days, with a plan to further tighten it to seven days in stages. SOSTE regarded this reform as one of the most significant improvements of the previous government from the perspective of patients. According to statistics from the Finnish Institute for Health and Welfare (THL), the revision of the waiting time guarantee law, which took effect on September 1, 2023, significantly improved access to physicians.

One of the first actions of Prime Minister Petteri Orpo's government was to reverse the planned reduction of the waiting time guarantee. Instead, a legislative amendment that took effect on January 1, 2025, prolonged the maximum waiting period for non-urgent care for individuals over 23 years old to three months. By lengthening waiting times, the government aims to achieve at least €97 million in annual savings in publicly funded healthcare starting in 2025.

The objective of shortening the waiting time guarantee for outpatient primary healthcare was to strengthen public healthcare services and improve access to care. Ensuring timely access to services helps prevent health problems from escalating and becoming chronic while also reducing unnecessary congestion in emergency departments – both of which lead to human suffering and increased costs. Despite legislative changes and reduced funding, some wellbeing services counties have chosen to maintain the 14-day waiting time guarantee for precisely these reasons.

SOSTE calls for the restoration of the 14-day waiting time guarantee to ensure equitable access to healthcare across all wellbeing services counties.

b. In view of the consolidation measures such as decreasing staffing levels, limiting the offer of types of health care services and plans for cutting down the hospital network providing 24-hour emergency services, what will be the impact on services provided for the entire population?

Regarding the reduction of hospital emergency services, SOSTE is concerned about service availability and accessibility. The relocation of services to more distant locations raises serious concerns about patient safety, equitable access to care, and the overall accessibility of healthcare. As emergency services are relocated further away, especially elderly individuals – who constitute a large share of service users – will face greater barriers to access.

As part of its fiscal consolidation measures, Prime Minister Orpo's government raised the maximum client fees for primary healthcare by 22.5% and for specialized medical care by 45% at the beginning of 2025. Even before these increases, client fees in Finland were relatively high compared to other

Nordic countries and many other European nations. The burden of these fees falls disproportionately on older adults, disadvantaged groups, and low-income individuals, as they have greater healthcare needs and require more services.

High client fees have resulted in many people being unable to afford essential social and healthcare services. According to a study by the Finnish Institute for Health and Welfare (THL), 34% of healthcare users report that high fees have hindered their access to care. Additionally, approximately half a million client fees are sent to debt collection each year. In the long run, high client fees impose substantial costs on society. When individuals delay seeking care due to financial constraints, their health conditions often deteriorate, leading to a greater need for more intensive and costly treatments later on.

Beyond these fee increases, significant cuts to social security and rising medication costs are further exacerbating the financial situation of low-income individuals. The Ministry of Social Affairs and Health estimates that the reforms implemented in 2024–25 will drive approximately 100,000 individuals below the poverty line. This raises concerns about an increase in debt collection cases and further barriers to accessing services.

2. How much have digital innovations accelerated access to care, and how much do you see further potential in them to make the services more efficient?

The strategic importance of digital services has grown significantly in Finland’s social and healthcare sector in recent years. In many wellbeing services counties, digital services are a key component of regional strategies or are being developed as part of a dedicated digital strategy.

Digital solutions are widely utilized in outpatient care within both primary and specialized healthcare across the public and private sectors. In social services, digital tools are extensively used in home care for older adults; however, their adoption remains considerably lower in other areas. In particular, the use of digital services in disability and long-term care remains limited.

In Prime Minister Orpo’s 2023 government program, a key objective is to advance digitalization and prioritize the use of electronic services in official interactions. While this transition is inevitable, significant disparities in digital skills and access to digital services remain, disproportionately affecting older adults. For example, many individuals cease independently using digital devices and services around the age of 80.

Digital inequality is pronounced not only between older and younger generations but also among different groups within each generation. Support is needed not only for older adults but also for younger age groups, including immigrants, who may face barriers to digital access. These barriers include the inability to afford necessary devices, lack of required online banking credentials, limited digital skills, language difficulties, and other challenges.

To bridge these gaps, greater investment in digital support services – such as those provided by civil society organizations – is essential. Furthermore, mechanisms for assisted digital transactions and proxy services must be clarified and reinforced to ensure equitable access to essential services.

Enhancing the quality and accessibility of healthcare services through digital transformation is essential for meeting growing demand and ensuring equitable care. However, real healthcare research and development expenditures have declined by one-third since the early 2000s, undermining Finland's ability to foster innovation in treatment methods, medical technologies, and pharmaceuticals. Greater investment in research and development is essential for developing more effective treatments and advanced medical solutions, which would not only enhance patient outcomes but also help mitigate workforce shortages by improving the efficiency and sustainability of healthcare delivery.

3. What do you consider are the key indications from the recently released unit costs for wellbeing services counties?

The Ministry of Finance's unit cost development project aims to enhance transparency and comparability in the cost structures of social and healthcare services at both the national and regional levels. Under the government program, unit costs for these services will be gradually published starting in 2025, while unit cost data has historically been released as national averages at multi-year intervals.

However, the Competition and Consumer Authority (KKV) has warned that publishing detailed regional unit costs could have unintended negative consequences for public procurement and market competition. Many social and healthcare service markets are highly concentrated, with a few dominant private providers holding significant market power. Publishing detailed regional unit costs could enable these providers to coordinate pricing and drive procurement costs closer to public sector internal cost levels. To mitigate these risks, KKV advocates for a confidential data-sharing framework among relevant government institutions – including wellbeing services counties, the Ministry of Finance, the Ministry of Social Affairs and Health, and the Finnish Institute for Health and Welfare (THL) – to ensure that unit cost data informs policymaking without undermining public sector efficiency, financial sustainability, or market competition.

SOSTE shares KKV's concerns regarding the identified risks.

4. While there has been a shortage of social and medical staff for years in Finland, several wellbeing services counties are currently aiming to reduce staff. What are the implications for the short to medium term employment situation and skills shortages in the sector?

The balance sheets of wellbeing services counties showed deficits of €1.3 billion in 2023 and €1.4 billion in 2024, indicating that financial shortfalls have been present from the very start of the healthcare and social services reform. By law, wellbeing services counties must eliminate the accumulated €2.7 billion deficit by the end of 2026.

Since wellbeing services counties do not have the authority to levy taxes, they have been forced to implement extensive cost-cutting and adjustment measures, including staff layoffs. Reductions in frontline social and healthcare personnel are likely to diminish both the availability and quality of services. Moreover, heavier workloads and deteriorating working conditions risk driving more professionals out of the healthcare sector at a time when a significant share of the workforce is

nearing retirement. At the same time, Finland's aging population will increase demand for healthcare services and personnel, further exacerbating the situation.

SOSTE considers reducing healthcare funding and staff at this critical juncture the wrong approach. One of the main drivers of the current deficits in wellbeing services counties is their initial underfunding. During the reform's preparatory phase, municipalities were asked to report their healthcare expenditures. However, the more a municipality reported spending on healthcare, the greater the funding losses it faced under the new system. As a result, municipalities had an incentive to underreport their actual healthcare costs, leading to miscalculations in the financial allocations for wellbeing services counties. Additional factors, such as rising rents for healthcare facilities, further exacerbated the problem.

SOSTE recommends that, given the administrative misjudgements, wellbeing services counties should be granted additional time to balance their deficits to prevent unnecessary harm to the healthcare system. It would be entirely unreasonable for Finland's healthcare services to suffer long-term setbacks due to bureaucratic missteps.

5. What are the key challenges of the system of parallel private, occupational and public health care?

Significant inequalities in healthcare access persist in Finland. Individuals covered by occupational healthcare services or private health insurance often receive treatment on the same day, while those relying on public primary healthcare face considerably longer waiting times. Furthermore, a fragmented funding model constrains the capacity of wellbeing services counties to enhance the efficiency and effectiveness of care pathways within the public healthcare system, ultimately weakening the continuity of care.

Instead of addressing the fragmentation of healthcare funding and disparities in access to care, the government is allocating an additional €500 million to subsidize private healthcare through ineffective Kela reimbursements. SOSTE views this as a deliberate reallocation of public funds to the private healthcare sector, undermining the ability of wellbeing services counties to develop solutions that strengthen public healthcare and retain healthcare professionals.

LONG-TERM CARE

6. What is your view on the performance management of the long-term care system? What performance indicators are in place in terms of efficacy (that they deliver good quality services for care recipients, that care is accessible across income groups, that care is delivered in the most appropriate care setting, etc.) and in terms of efficiency (that good performance is achieved efficiently, that the most cost-effective setting is used for each level of need, etc.)?

SOSTE has no stance on this specific issue.

7. What are the key challenges in the long-term care system?

The long-term care system faces similar challenges to the overall healthcare sector. Retirement, the increasing migration of social and healthcare professionals to other sectors due to high job demands, and the growing need for services are all contributing to workforce challenges in the healthcare sector.

As the service structure for elderly care shifts toward lighter models, such as increasing communal housing arrangements, it is important to recognize the challenges inherent to these models. With life expectancy rising, the number of people over the age of 85 will continue to grow in the coming years, making the need for 24-hour care inevitable at some stage. Yet, the current cost-cutting measures will particularly impact around-the-clock care for the elderly.

The number of around-the-clock service housing places for the elderly is expected to decrease by approximately 10,000–11,000 by 2030. This reduction will have broader socioeconomic implications, particularly affecting the employment of family members providing care. As unpaid caregiving responsibilities increase, labour market participation among family caregivers is expected to decline, leading to a reduction in working hours. A recent report estimates that the planned reduction in service housing places could result in a loss of up to 1,900 full-time equivalent jobs.

8. What do you estimate to be the impact of the consolidation measures proposed for wellbeing services counties on savings and the quality of care for the elderly?

The proposed consolidation measures for wellbeing services counties may provide short-term financial savings but risk significantly compromising the quality of care for the elderly while potentially leading to higher long-term costs. A key component of these measures is the reduction of around-the-clock institutional care places, yet this transition is not being matched by a sufficient expansion of home care services. As a result, many elderly individuals who would previously have received institutional care may be left without adequate support, leading to service gaps, increased strain on informal caregivers, and greater regional disparities in access to care.

At present, home care services are already under significant pressure. Despite the growing elderly population, the number of home care visits has declined in recent years, exacerbating accessibility challenges. On average, home care visits provide only 33 minutes of assistance per client per day, often split into multiple short visits. This level of service is insufficient to meet the needs of individuals with complex health conditions, such as dementia or multiple chronic illnesses. Additionally, regional disparities in service provision mean that elderly individuals in some areas may face even greater challenges in accessing care. With fewer institutional care options available, an increasing number of elderly individuals will be forced to rely on family members for care, which may lead to reduced workforce participation among working-age relatives and economic losses at the societal level.

Furthermore, the expected financial savings may not be realized as intended. Delays in receiving adequate care often lead to a higher incidence of emergency visits and hospital admissions, which drive up overall healthcare costs. Rising workloads for home care personnel, combined with existing staffing shortages, may lead to burnout and further difficulties in recruiting and retaining qualified professionals, exacerbating the decline in service quality. Regional differences in staffing availability

further contribute to disparities in care access. Without sufficient investments in home care services, workforce retention, and service coordination, the consolidation measures risk weakening the quality and accessibility of elderly care while failing to achieve sustainable financial benefits.

9. What measures should be put in place to tackle workforce shortages in the Finnish long-term care system?

Tackling workforce shortages in Finland's long-term care system requires a multi-pronged approach involving all key stakeholders. Key measures include moderately increasing the intake of medical students, attracting professionals trained abroad, strengthening public-private cooperation, and expanding the number of trained nurses to meet growing care demands.

Ensuring workforce adequacy requires inclusive planning, strong leadership, and systematic improvements in work processes and employee wellbeing. To enhance the sector's appeal, it is essential to highlight best practices, promote the profession's benefits, and address workload concerns to improve recruitment and retention.

The effective delivery of social and healthcare services also depends on adequate support staff. Tasks such as cleaning, sanitation, and administrative duties should be handled by professionals in these fields, allowing healthcare workers to focus on core responsibilities. Care assistant training should also be expanded.

Finally, while sufficient language proficiency is essential for healthcare professionals to ensure patient and client safety, language requirements for auxiliary staff should be applied more flexibly to support recruitment without compromising care quality. This would facilitate the integration of work-based immigrants into the healthcare sector.

PENSION SYSTEM

10. Please give your view on the preparations for the reform of occupational pensions and the planned changes.

SOSTE does not issue expert statements on pension system-related matters.