

Health and wellness services in Finland

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INVEST IN FINLAND

Business Opportunities and
Consulting Services for
International Companies

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1. Executive summary

Healthcare in Finland is provided by the public sector, though care provided through the private sector is on the rise. Private provisions now account for 20% of the healthcare market, which is currently estimated at 14-15 billion euros and growing at an average of 7-8% on an annual basis.

The main growth for commercial players in the coming years is expected to come from the outsourcing of services that are currently the responsibility of communities, either via direct contracting or by using service vouchers which provide the patient with more freedom of choice. The development is fuelled by many factors, including new legislation under preparation, as well as government funding towards the development of new social and healthcare service concepts.

The social services market is currently in turmoil, with a strong outsourcing trend noticeable. The same consolidation and entrance of foreign players which have taken place in the healthcare sector are also likely to occur in this sector.

The complementary and alternative medicine sector is growing in consumer popularity but currently lacks the necessary legislation, at least for the time being. While awareness is still at a lower level when compared to global trends, there is a clear interest towards wellness and all things natural. Finland is currently monitoring the discussions taking place at EU level, and preparing to create the relevant legislation and certifications.

Finns are very interested in their health and wellbeing and are the most active people in Europe in terms of physical exercise. Commercial services are increasingly used, and new fitness concepts eagerly adopted.

2. Healthcare services

2.1. Market overview

The Finnish healthcare system offers a relatively good quality of health service for a reasonable cost, with public satisfaction moderately high. In a recent study the Finnish healthcare system was ranked eighth in Europe, while the expenditure on health per capita is among the lowest in the OECD.

Healthcare services in Finland are still largely provided by public players, and primarily by municipal healthcare. The 400-plus municipalities are responsible for providing all the necessary health services for their residents as best they see fit - although they obviously have to follow the law and other various requirements. Twenty hospital districts, formed by the municipalities, provide municipal secondary care services. Each hospital district has a central hospital, five of which are university-level teaching hospitals.

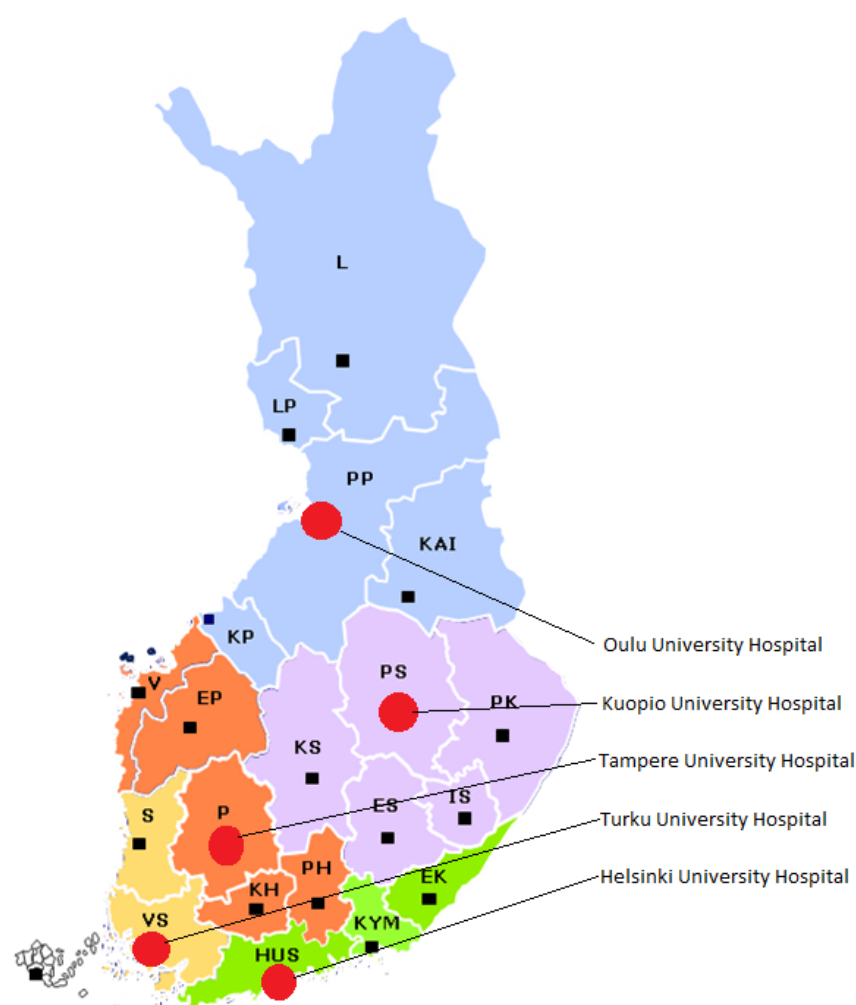


Figure 1: Map of Finland's hospital districts, with the five university hospitals and their respective tertiary care areas. (Source: Kuntaliitto, with modifications)

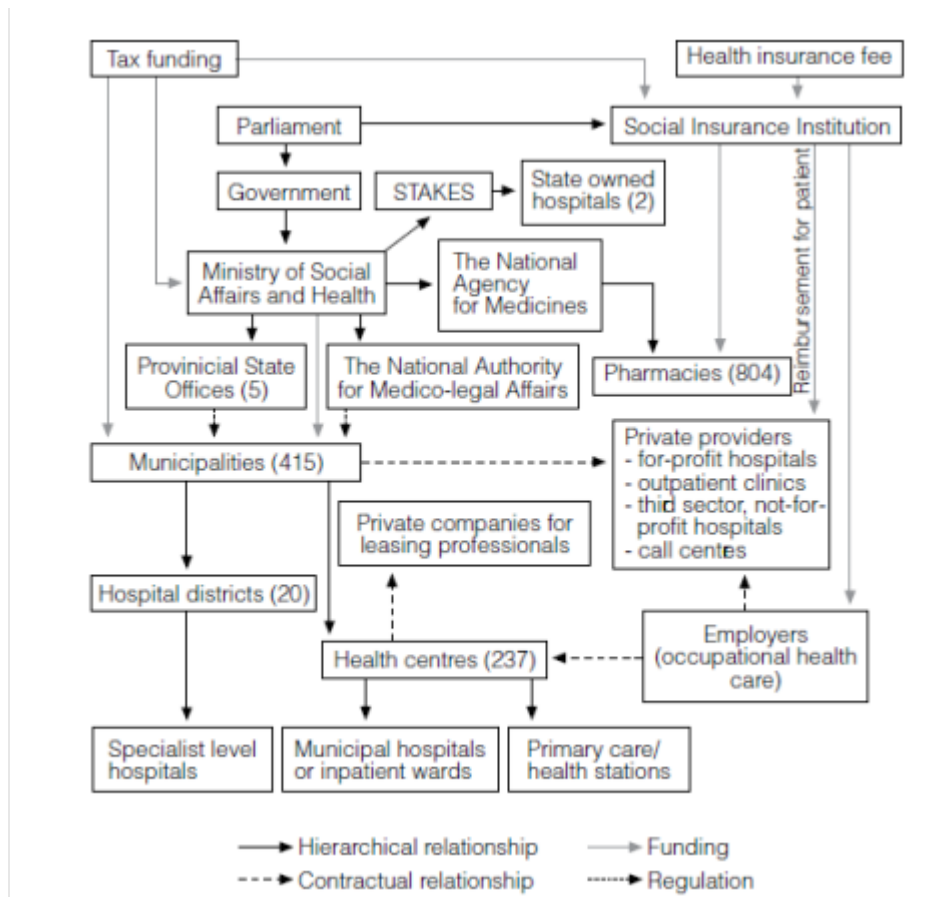


Figure 2: Overview chart of the health system (Source: Stakes [1])

Public responsibility for healthcare has historically been more decentralised in Finland than any other European country, although some reorganisation and further collaboration between regions is currently advocated, and national steering will increase.

The private sector is on the rise. It now provides approximately 20% of all healthcare services, and accounts for approximately one-third of all visits to a healthcare provider.

Terveystalo, the largest private healthcare company in Finland, foresees growth of 7-8% per year in the total healthcare market, which is now estimated at 14-15 billion euros (the last official figure of 8.5 billion euros is from 2004, and includes the public, private and third sectors).

The overall market growth is related to the ageing population and the increased costs of technology, combined with the increased expectations of patients and their buying power.

Growth on the private side is driven by the outsourcing of healthcare services by the public sector, for example the operation of entire primary healthcare centres or hospitals by a private operator and service vouchers, with which the patient has an improved opportunity to choose where to receive healthcare. In 2004, the public sector was purchasing just 2% of healthcare services from its private counterpart, amounting to 211 million euros.

Healthcare waiting times were guaranteed by law in 2005, resulting in regulations concerning access to healthcare, the assessment of treatment needs and the subsequent therapies required. Many healthcare districts have not been able to cope with the tightened regulations, and have therefore been forced to purchase procedures and services from the private sector. Despite this, in 2007 the

purchased services only reached 280 million euros, or 3.6%, so there is still room for significant growth.

Outsourcing is also partly driven by the difficulties in attracting personnel to the public sector, which is pronounced in certain geographic regions. The lack of personnel has also created attractive business opportunities for companies that specialise in the business of hiring medical personnel. For example, Mediverkko's turnover grew by 32% in the year 2010, resulting in a turnover of 46.8 million euros.

Out-of-pocket spending is also increasing, as people are now willing to spend more on their own health and wellbeing - up to 30-40% of their income according to some estimates.

The total expenditure on occupational healthcare totals 500 million euros, and is the focus area of many of the largest healthcare companies. Occupational healthcare for employees is mandated by law to a certain level, but employers can also provide additional services, which many opt to do. The provision of preventive healthcare, or health-promoting services, is an increasing trend, and is seen as a profitable investment which can reduce the amount of sick days. A fine example, and a pioneer of placing preventive measures at the top of its management agenda, is Lassila & Tikanoja, a property and plant support service provider, which was able to save millions of euros thanks to proactive investments and close partnerships with insurance companies and their occupational healthcare provider. They have for example, halved disability pension costs and reduced sick days significantly.

In the coming years, the Finnish healthcare system will see some major changes, and the discussion currently taking place regarding the best payer/purchaser/provider is intense. Tekes - the Finnish Funding Agency for Technology and Innovation - is investing in the development of public healthcare services through its Innovations in Social and Healthcare Services programme (see link), which is focused on social and healthcare system innovations. The programme aims to renew the social and healthcare production processes, improve the availability, quality and effectiveness of services, and promote new business opportunities in the area.

The new law on social and healthcare services, which comes into force in the forthcoming years, will improve patient choice by allowing them more freedom when choosing where to receive treatment. This is also very likely to improve the conditions for commercial players over time. More details on the legislation issues can be found in chapter 6.

2.2. Structure of the private sector

Private healthcare consists mostly of small businesses, as 98% of companies employ less than 10 persons. This is partly explained by the model which allows doctors in a private medical centre to be entrepreneurs, working in partnership with the medical centre.

The Finnish healthcare market has gone through a major reorganisation procedure since 2000. Consolidation has taken place in many business areas, and the largest companies are now in international venture capital ownership. The five largest companies in 2009 were:

- Terveystalo - 209 million euros, 0% growth, owned by Bridgepoint/Star Healthcare (UK) (acquired in 2009 for 300 million euros). Continues to acquire smaller medical centres.
- Attendo Medone - 192 million euros, 34% growth, owned by Attendo (Sweden). Operates primary healthcare services in many counties, and is seeking strong growth next year as well.

- Mehiläinen - 167 million euros, 23% growth, part of the Ambea corporation (Sweden). Operates private hospitals and medical centres, and is seeking growth from primary healthcare outsourcing contracts.
- Plusterveys - 111 million euros, 3% growth. Under Finnish ownership.
- Diacor 52 million euros - 2% growth. Owned by Helsinki Deaconess Institute Foundation and focuses on occupational healthcare.

Among the companies with the strongest growth are:

- Mediverkko - growth 41% last year, current turnover of 35 million euros.
- Medix (laboratory services) - growth 24%. Merged from two large companies in 2009.
- Oral Hammaslääkärit (dental care) - growth 24%. Acquiring smaller players, leveraging service vouchers.

New private business models are emerging to fill the gaps in public provision. An interesting example of a recent FDI is the entrance of Norlandia Care with the first private patient hotel in Finland, due to open on the Tampere University campus in 2012.

The private healthcare business is highly profitable, with average industry profits currently sitting at approximately 20%.

2.3. Specialty areas in more detail

2.3.1. Dental care

Dental care went through a major reform process in 2002, when public dental healthcare was extended to the entire population. The use of municipal services increased to a level where, especially in larger cities, the system could no longer cope. Waiting lists have become very long (as much as 6-12 months), and the municipalities have been forced to outsource services to the private sector.

Reimbursement of private dental care is at a relatively good level in comparison to private healthcare: 60% of costs are reimbursed by NHI (National Health Insurance), compared to approximately 30% of medical care. The use of private services is much more common in dental care than in general medicine.

Due to the aforementioned reasons, private dental care has doubled in the period between 2000 and 2004, and the dental chain Oral Hammaslääkärit, for example, is among the fastest growing healthcare companies.

Further market reorganisation is expected to occur within this lucrative market. A noteworthy example of such reorganisation occurred in the autumn of 2010, when Megaklinikka, a provider of cheap dental services in Helsinki, entered the market. This company focuses on private dental care, enabling lower capital investments and efficiency, due to standardisation.

For further details about the dental sector, please refer to the recent IIF report on Finnish Dental Sector.

2.3.2. Physiotherapy and rehabilitation

Finland has a relatively high number of physiotherapists compared to many other countries. Its 11,000 physiotherapists work in both the public and private sector, with the private practices covering some 80% of all appointments. The physiotherapists have a very independent position: they

determine the clinical intervention of physiotherapy themselves, based on the doctor's referral. (Patients have open access to physiotherapy, but for partial reimbursement by NHI a doctor's referral is required).

Private physiotherapy is a fragmented market. In 2007 there were 1670 private healthcare locations where physiotherapy services were being provided, with each location often employing 1-2 physiotherapists. A total of 4.6 million appointments occurred in the facilities. Some consolidation has taken place in recent years and this is likely to continue, though at a slower rate than in medical care.

Most recently, DBC Finland, a chain consisting of 26 clinics, was formed via acquisitions. Another example is the Auron chain, which has grown rapidly in the past few years and now has five of its own facilities, as well as 45 licenced partners across the country.

There are also a large number of inpatient rehabilitation facilities, and NHI reimburses part of the cost of medically prescribed private rehabilitation services; these rehabilitation centres have traditionally received good business from the rehabilitation of World War II veterans. However, this client group is getting smaller and smaller, and many of the rehab centres now need to revise their business models - in some cases reverting to selling the facilities to a new operator.

Some rehabilitation businesses are also in financial trouble because fewer patients are being referred by the counties due to the recession and related cost saving measures. The Arthritis Foundation had to close their hospital that specialised in arthritic care, and many drug/alcohol abuse facilities are close to bankruptcy.

2.3.3. Preventive healthcare

With the ageing population becoming more overweight and suffering from many preventable diseases - diagnoses of diabetes are skyrocketing - there is a lot of talk about the need for preventive measures. So far, the action taken has been relatively small, or indeed lacking completely, on the public side due to the challenges related to costs and coordination. Preventive measures will now be included in the new Healthcare Act as one of the responsibilities of the municipalities, which over time will drive more activity towards the public healthcare system.

In the meantime, players in the private sector have taken action. Employers have noticed that it is in their best interests to prevent their employees from getting ill, and private service providers have in turn risen to the challenge. For instance, the Vierumäki Sports Institute recently created a concept based on "exercise as a medicine", and has launched the resulting services in conjunction with eight other sports institutes across the country. More recently, Preve, a subsidiary of Pfizer, launched a smoking cessation programme for employers, together with a medical centre that provides occupational healthcare.

A further example of preventative healthcare is the TERVA pilot project (www.preve.fi/tuloksia/en_GB/results_in_Finland%20/), where individualised health coaching was shown to improve the health conditions of chronically ill people. TERVA also highlights the type of pilot projects that can be relatively easily arranged in Finland, thanks to good collaboration between the researchers and the industry. The project was operated by Preve.

These types of services are likely to increase in the future, and there is room for new, innovative players in the market.

3. Complementary and alternative medicine

3.1. Consumer opinions

As reported by the World Health Organisation (WHO), the last few decades have seen an increase in the use of complementary and alternative medicine (CAM) in many developed and developing countries. The safety and efficiency of traditional medicine (TM) and CAM, as well as the quality control, have become important concerns for both health authorities and the general public. Various TM practices have been developed in different regions and cultural areas, but the parallel development of international standards and appropriate methods for the evaluation of TM are still lacking.

In Finland, the trend of health and wellbeing, as well as a movement towards all things natural, are stronger than ever. However, the popularity of CAM is relatively small in Finland when compared to the global market.

While the latest EU information shows that the percentage of TM users sits between 30 and 65% depending on the country and therapy, no recent surveys have been carried out in Finland, nor are there any latest statistics available. It is estimated that nowadays CAM is used by 2-2.5 million Finns as a preventive measure. Overall, there is a strong emphasis on preventive medicine among Finnish consumers, and this is manifested in the increasing desire to keep fit and remain healthy. The main therapies that are recognised in Finland are aromatherapy, zone therapy, reflexology, homeopathy and acupuncture, while herbal and dietary supplements are also popular.

Some earlier surveys among Finnish consumers showed that three out of four people are positively orientated towards CAM - 60-70% of respondents have used CAM, either in the form of treatment methods or as nutritional supplements. The numbers might be even higher if vitamin use was considered. Although CAM is generally more popular among middle-aged women, therapies such as zone therapy and homeopathy are common among young men.

Overall, there has been steady growth within the sector but there is a lack of more specific market data, due to insufficient surveys. Some resources state that, for example, the herbal medicine market would be worth 300 million euros annually (online sales excluded). Nowadays, bigger factories have more herbal products to offer, but volume estimates remain purely guesswork. Most of the herbal products available on the Finnish market are of local or European origin, although products originally from America have also found their niche. It has to be mentioned that many products brought in from the Far East (including India and China) are often stopped by Finnish custom agencies - the most common reason for this is incomplete product information. As there might be a niche for manufacturing in Finland, it is a topic that could be further studied.

3.2. Current service offering

CAM services are offered by individual therapists, but different clinics also play an active role in the sector. Services often comprise of a wide selection of therapies, which may in addition include herbal products, massages and courses related to CAM services. There are service providers all around the country, but the bigger cities where consumers have easier access to facilities are most popular.

Examples of service providers include:

- Long Life Health Clinic offers a broad range of health services that include Western medicine, Chinese medicine and CAM therapies.
- Oranssi, a natural health clinic that provides CAM therapies.
- Energy Centre Indigo offers CAM services, as well as educational courses for those interested.
- Leishi Resort in the Kouvola region offers a new range of services. Leishi is a combination of therapies, health services, accommodation, and other cultural and social activities.
- China Liangtse Wellness opened a centre in 2009 in Helsinki, and offers a variety of Chinese and other Asian therapies.
- Sri Lanka is the first clinic in Finland to provide auyurveda treatments, with therapists from Sri Lanka and India on site.

Case: China Liangtse - on the road to success in Finland

Liangtse is the first Chinese wellness company operating in the international market that has more than 300 workshops in China; it also has several workshops in Europe (UK, Germany and Finland). They also plan to open in the Netherlands at some point in the future. In China itself, Liangtse is a famous wellness mega-chain and provides massages, traditional reflexology and herbal treatments.

Finland was chosen to be the first target country for Liangtse's market among the Nordic countries, as the Finns are presumed to be very interested in health and wellbeing. They are also seen as smart customers who know what is good for their health.

An important reason for choosing Finland was the beneficial investment environment. Compared to other European countries, Finland has a very favourable labour law, especially due to the fact that visa and work permit issues are easy, both bureaucratically and time wise, for a foreign company. This is an important issue when a company is considering bringing high quality specialists to the country, as well as being crucial for the business itself in the longer run.

The other important reason for choosing the Finnish market was the high price of massage services in the country, which enables a company to conduct profitable business. China Liangtse is not competing with the Finnish massage services; rather it is providing a comprehensive cultural experience, including elements such as Chinese tea ceremonies.

While Helsinki can hardly be described as a hotbed of activity when it comes to the relatively fresh field of wellness services, day spas and luxury treatment centres are nevertheless growing. Despite the grim economic situation, people still like to pamper themselves and look after their health. Liangtse Wellness aims to create a market for Chinese-style spa services and wants to introduce a Chinese traditional medicine culture to Finnish consumers.

The target group of China Liangtse in Finland is older people with various health problems and those with a good level of income. The latter are likely to be familiar with Chinese massage, as they have the ability to travel more easily.

3.3. Unionisation

The service providers are grouped under the Union of Natural Medicine (LKL ry), which was established in 2002. In 2009, the members of LKL made up seven member associations, with a total membership of 1,100 therapists. The estimate is that outside this association there are approximately

5,000 practitioners of CAM in Finland. Up until now there have also been separate therapists that have been members of LKL, and the latest initiative is to have all therapists unionised under the associations. The current member associations are listed in Appendix 2 of this report.

As the status of the therapists is not regulated, and since a large number of persons practicing TM/CAM stay outside the unions, there are a number of actors who are not bound to common ethical obligations. Lacking official status and the regulations that come with it, any person can perform (market, give treatment or educate) within the sector.

The most common therapies represented by LKL members in Finland are aromatherapy, micro nutrient therapy, homeopathy, Chinese medicine, Finnish folk medicine, art therapy, and zone therapy.

Some other players worth mentioning:

- SKILL ry (www.skill.fi) is an umbrella organisation for TCM unions in Finland. Member organisations include: Baihui ry, The Traditional Chinese Medicine Society of Acupuncture and Herbs (FinnAcu) ry and Classical Aromatherapy Association ry.
- The Central Association of Herbal Products has the following member organisations: Health Product Wholesalers' and Manufacturers' Association, Finnish Health Product Association

3.4. Legislation and regulation

National policy and regulations regarding the sector are undeveloped, and CAM is considered a very controversial issue which is currently discussed intensely among different players, from national to EU level. Changes to the legislation, however, have not yet been prepared, and will not be ready until 2011 at the earliest. There is a strong need to explore the sector in a deeper context, as the statistical data, for instance, is outdated.

No national programme has yet been issued in Finland, nor has a national office been established. According to the Ministry of Social Affairs and Health, it is too early to evaluate the status of CAM in Finland. There is a group of specialists working on the issues, but no regulative changes were announced in 2010.

As CAM is not regulated under either the medical or healthcare acts, the sector is regulated only by consumer regulations, thus the supervising body is the Ministry of Employment and the Economy. The consumer side seems to be lacking the sufficient tools and resources needed for the development and supervision of the sector. One of the most important regulating laws is the Act on Consumer Protection; the regulating law for vitamins as food supplements is the Food Act. One of the main challenges the regulator faces is that the sector still lacks a detailed study covering all areas of the sector.

3.5. Research activities

Universities like the University of Oulu, University of Kuopio and University of Helsinki are engaged in research work and any cooperation concerning the research is appreciated.

In 2007, the European Consortium of Chinese Medicine (ECCM) was established. Hosted by the School of Public Health and Clinical Nutrition, University of Kuopio, ECCM is a continuation of the 'European Institute of Chinese Medicine' project which was approved by the Ministry of Trade and Industry of Finland and the Ministry of Science & Technology of China. The main tasks of the consortium are to set up a forum to promote education and research among different research

institutes in Finland, Europe and China in the field of Chinese medicine, and to contribute to the modernisation and globalisation of Chinese medicine.

3.6. Outlook

The sector will offer various opportunities for service providers as the awareness of consumers grows. Overall, public opinion seems to be positive and there is room for new service providers.

However, though some growth can be predicted for CAM, there is also a dominating concern that the use of CAM will not rise that significantly among the Finnish consumers, due to the strong tradition of Western medicine and the ongoing controversy between conventional medicine and CAM. The situation will perhaps change along with the eventual clarification of the legislation and the increasing body of evidence concerning the efficacy of alternative treatments.

4. Social services

The social services represent a market of eight billion euros, of which municipalities currently provide some 70.8%, the third sector 16.6% and private companies 12.6%. These figures include senior care, day care and home care, while ambulatory services represent 25% of that figure.

The market is currently in turmoil, with the operating model being revised in many municipalities. It is the responsibility of the municipalities to provide these services, and many of them now opt for outsourcing, for example purchasing services from private players, while before the companies were mainly complementing the public sector offering and taking care of overflow. Private demand is also increasing, as shown by the fact that total revenues in the private sector increased by 400% between 2000 and 2004.

The fragmented private sector consists of 3,110 mostly small companies and employs 19,000 people in total. A lot of the small enterprises are facing the retirement of the owner or entrepreneur, and finding a replacement is challenging. Regulations have changed in recent years, and the new owner would have to fully comply with the tighter requirements, making small businesses less profitable.

The largest and most profitable sector is concerned with assisted living for senior and disabled persons, which constitutes about 40% of the entire sector. Thanks to an ageing population, this sector is expected to rise; there are currently 812 facilities, with ten employees on average. Profitability has been at a very good level (10-15%), and the operators have been lucrative targets for international acquisitions (Attendo Medone, Ambea Carema). Larger companies have also been purchasing smaller ones, so the market is consolidating.

Child and adolescent care needs are also on the rise, as families have more and more problems to deal with. Mental problems and drug/alcohol abuse issues are rising yet further, which in turn creates more demand for in- and outpatient rehabilitation services.

The purchasing policy for social services in many municipalities favours the larger players, as the municipalities tend to purchase a large variety of services simultaneously. This is one of the reasons why the larger players have been able to increase their market shares recently. Small companies therefore need to specialise or create efficient cooperation networks in order to survive. The investments required to develop the operation and grasp opportunities are often beyond the reach of the small players, and funding is not available due to the underdeveloped nature of the market. One further issue is that counties also lack the capabilities or desire for long-term planning which would enable the private service providers to do the same. This has been especially evident during the recent recession.

The challenges facing the industry can be found in delivery reliability, credibility and overall profitability - mostly due to the fragmented nature of the market and the lack of business management skills. Technology is not sufficiently leveraged. There are also regional differences in the availability of qualified personnel to take up the low-income and often physically demanding jobs. TEM estimates that by 2040, 200,000 new employees will be required in the social and healthcare services if the current service provision model continues to be used. However, this would appear to be an unattainable figure.

The trend that will affect the market in the most positive manner during the coming years is the system of service vouchers; the vouchers were defined by law in 2009, but are not yet widely adopted. With these vouchers the customer of the municipal social service can freely choose where he or she will acquire the service they require. This will clearly open new opportunities for commercial players.

5. Fitness

According to a national study on exercise published in the spring of 2010, Finland has the most active population in Europe - even more active than the other Nordic countries, where exercise is also very popular. 55% of adults exercise at least four times a week, which has increased from the 2001 figure of 46%. The most popular forms of exercise are walking, cycling, gym exercise and running, while participation in dancing has also seen a sharp increase of 30%. The use of privately provided services has risen from 9% to 15%.

There are more than 500,000 people attending gyms, and this figure has been increasing by 40,000 year on year. There are approximately 450 commercial gyms in Finland, with a few larger chains (e.g. CMS, Lady Line, Finnbody, Elixia, SATS, and Motivus). In addition, there are non-profit gyms as well as those operated by the municipalities.

The most popular sports are those that can be fitted into people's busy lives and sports that provide a pleasant experience during exercise. For instance, HealthEx has launched an exercise concept that takes only 30 minutes and is tuned to the customer's individual needs. People are looking for health and wellbeing, and appreciate well-trained instructors, clean facilities and new exercise concepts. International concepts, including Les Mills, have entered the market in the past decade.

Finnish sports medicine is respected internationally, and the introduction of wellbeing via sports, combined with healthy food, could be the natural next step. Innovative service providers with business acumen would be required to take these ideas further.

6. Relevant legislation

6.1. Key legislation and upcoming changes therein

The duties of municipal authorities throughout Finland to arrange social and health care are stipulated by laws concerning social and health care planning, as well as central government transfers to local government.

The law on social welfare stipulates the services that municipalities must produce.

The Occupational Healthcare Act mandates the employer to organise preventive healthcare for their employees.

- [Social Welfare Act 710/1982 \(Finlex\)](#)

Laws concerning primary healthcare and specialised medical care can be found using the following links:

- [Primary Health Care Act 66/1972 \(Finlex\)](#)
- [Act on Specialised Medical Care 1062/1989 \(Finlex\)](#)

There are separate laws on occupational healthcare, mental health services, the prevention and treatment of infectious diseases and the status and rights of patients:

- [Occupational Health Care Act 1383/2001 \(Finlex\)](#)
- [Mental Health Act 1116/1990 \(Finlex\)](#)
- [Communicable Diseases Decree 786/1986 \(Finlex\)](#)
- [Act on the Status and Rights of Patients 785/1992 \(Finlex\)](#)

Legislation also covers the professional standards of social and health care personnel:

- [Act on Qualification Requirements for Social Welfare Professionals 272/2005 \(Finlex\)](#)
- [Act on Health Care Professionals 559/1994 \(Finlex\)](#)

The changes in legislation during the past few years that have had and will partly continue to have the most significant impact on private businesses are:

- The extension of dental care to the entire public in 2002, causing an increase in demand that the public sector could not cope with.
- Guarantees for waiting times, which were implemented in 2005. This sparked the outsourcing of the most crowded procedures to private players.
- Health vouchers implemented in legislation in 2009. The voucher allows the patient to acquire services more freely from either the public or private sector. These vouchers are slowly being adopted across the country and across healthcare disciplines.

New healthcare legislation is currently being prepared, and it will continue to have some implications on businesses operating in the sector.

The key issues in the new Healthcare Act are:

- Putting the patient in focus: efficiency and better user satisfaction is sought by patient-centric, rather than process-centric care.
- Focusing on improving quality and patient safety.
- Strengthening primary care

- Improving cooperation between the different operators
- Promoting preventive care and health and wellness: municipalities have to set targets and corresponding actions for preventive care within their local strategies.
- Attempting to control the growth of healthcare expenditure.
- Advocating patient choice within public healthcare: the patient can seek care in their medical centre of choice - first regionally, then nationwide.

While a lot of the changes only concern public healthcare, for example the mandate on how the municipalities need to organise the provision of healthcare, the private players that are best in tune with the requirements will have a competitive edge due to the increasing trend towards outsourcing. Preventive care, for instance, is an area where the public sector's resources will not be sufficient.

6.2. Reimbursement and subsidies

The Finnish health system is primarily funded through taxation (61% of costs) and National Health Insurance (17%) - private health insurance is relatively rare, especially in the adult population. In 2005, 237,000 adults (4% of the population) had private health insurance. Accident insurance is more common, covering 1.2 million people (about one-fifth of the population) in 2005.

Public funding is available for all three health care systems:

- Municipal healthcare is tax funded, but the patient is charged user fees that cover approximately 7% of the cost. Different rates apply for services, and an annual ceiling cuts excessive costs per patient.
- Private healthcare is partly reimbursed through NHI. About one-third of private health services and 60% of private dental care are covered. Private providers can price services freely, but reimbursements are fixed and depend on the service provided - see below.
- Occupational healthcare is the responsibility of the employer (Occupational Healthcare Act), and the care is free of charge for the employee. NHI reimburses about 40% of the costs to the employer.

Outpatient drugs are also partly financed by NHI, as are sickness and maternity leave allowances.

What exactly is reimbursed by NHI in private care situations is determined in the Health Insurance Act, and the schedule of fees is available at www.kela.fi (in Finnish only). The maximum reimbursable fee specified in the schedule of fixed charges is often smaller than the fee actually charged by the doctor. For example, a 20-minute GP appointment may cost 42.60 euros (Mehiläinen Helsinki, 2010), while the maximum reimbursable fee is set at 18 euros. The reimbursement is 60% of this maximum fee.

The treatment provided must be medically necessary for the reimbursement to be provided, and, for instance, physiotherapy reimbursement requires a doctor's referral.

Each procedure is accepted to the schedule separately after careful consideration, and evidence of the effectiveness of the treatment is required before a new procedure can be accepted for reimbursement. There is a tendency towards stricter evidence requirements, which is driven by cost pressures.

6.3. Requirements for healthcare professionals

Most healthcare professions are controlled by law, and it is the role of the National Supervisory Authority for Welfare and Health (Valvira) to grant, upon application, the right to practice as a licenced or authorised professional.

Licences are granted to the following professions: physician, dentist, pharmacist, psychologist, speech therapist, dietician, dispenser, nurse, midwife, public health nurse, physiotherapist, medical laboratory technologist, radiographer, dental hygienist, occupational therapist, optician, and dental technician (17 titles in total). The practice of these professions is restricted to licenced professionals only.

The procedure of obtaining a permit or licence to practice medicine in Finland is dependent on whether the applicant is a citizen of an EU or EEA member state, and whether the applicant's qualification was undertaken in or outside the EU/EEA. An aptitude test or adaption period may be required. Healthcare professionals must possess the language skills required for the performance of their duties - in the case of personnel from outside the EU/EEA, either Finnish or Swedish skills are required. For more information, see http://www.valvira.fi/en/licensing/professional_practice_rights

In addition, there are protected occupational titles, whose use is restricted to people who meet certain education and experience criteria. The protected occupational titles as defined in the Decree on Healthcare professionals are: orthopaedic technician, podiatrist, trained masseur, chiropractor, naprapath, osteopath, practical nurse for social and health care, psychotherapist, hospital physicist, hospital geneticist, hospital chemist, hospital microbiologist, and hospital cell biologist (13 titles).

In addition, the titles of assistant nurse, dental assistant, chiropodist, trained chiropractor, trained naprapath, trained osteopath, physiotherapy assistant, children's nurse, hospital and ambulance attendant, practical mental nurse, practical psychiatric nurse, and practical nurse are defined as healthcare professionals under Finnish legislation.

6.4. Requirements for healthcare providing units

Healthcare operating units generally require permission in order to operate. Permission is granted by the regional government or, in the case of operations in multiple regions, the national agency, Valvira.

There are requirements related to the facilities, equipment, personnel, patient safety, handling of patient documentation, etc., which are further detailed for each type of facility or service.

6.5. Public procurement for services

According to the Public Procurement Act, and in line with similar legislation across the EU, all investments by the public organisations will need to be procured via tendering. Regardless of the value of the procurement, a tender notice must be published otherwise a sufficient number of tenders, which is in proportion to the size and quality of the procurement, shall be invited.

The national system for information on public contracts is HILMA (www.hankintailmoitukset.fi), and contracts exceeding certain thresholds will also need to be published in official EU journals and the TED database.

The criteria for the selection of the provider of the services or products may include economic, technical or other conditions of performance, which are stated in the public issue of the tender.

Foreign-owned companies are allowed to participate in the public tenders on an equal basis, and may not be discriminated against in the awarding of contracts.

Appendix 1: The most relevant companies

The following list has been devised based on public sources and does not cover all the companies in the sector.

Healthcare services

Company	Website	Revenue 2009	Growth compared to 2008
Suomen Terveystalo (owner Bridgepoint/Star Healthcare)	www.terveystalo.com	209 M€	0 %
Attendo Medone (Attendo Group)	www.attendo.fi	192 M€	34 %
Mehiläinen (Ambea)	www.mehilainen.fi	167 M€	23 %
Plusterveys	www.plusterveys.fi	111 M€	3 %
ODL Terveys	www.odl.fi	40 M€	10 %
Aho Group	www.ahogroup.fi	39 M€	2 %
Mediverkko Corporation	www.mediverkko.fi	35 M€	41%
Oral Hammaslääkärit	www.oral.fi	32 M€	24 %
Lääkäriasema Pulssi	www.pulssi.fi	28 M€	0 %
Coxa	www.coxa.fi	27 M€	-2%
Medix	www.yml.fi	23 M€	24%

Physiotherapy

Company	Website	Revenue 2009	Growth compared to 2008
Auron	www.auron.fi	1,7 M€	3 %
		M€	%
		M€	%
Debora Fysio	www.deborafysio.fi	2,5 M€	62 %
Medirex	www.medirex.fi	1,8 M€	2,9 %
Folkhälsan Botnia Ab	www.folkhalsan.fi	5,9 M€	0,6 %
Fysioterapiakeskus OMT-klinikka OY	www.omt-klinikka.fi	1,4 M€	16 %
Fysio Sporttis	www.fysiosporttis.fi	3,5 M€	-13 %
SelkäCenter Oy	www.selkacenter.fi	1,4 M€	-4 %

Rehabilitation centres

Company	Website	Revenue 2009	Growth compared to 2008
Kiljavan Sairaala Oy	www.kiljavansairaala.fi	3,2 M€	250 %
Siuntion Hyvinvointikeskus (also other functions included eg hotel, congress services)	www.siuntionhyvinvointikeskus.fi	17 M€	0,3%
Kaunialan sotavammassairaala	www.kauniala.fi	15 M€	5%
Saga Care Finland Oy	www.sagacare.fi	10 M€	15%
Lamminniemen Hyvinvointikeskus Oy	www.lamminniemi.fi	3,5 M€	N/A
Karhulan Kuntoutuskoti Oy	www.karhulankuntoutuskoti.eu	1,5 M€	35%
Herttuan Kuntoutuskeskus	www.herttua.fi	3M€	-13%
Sopimusvuori Oy	www.sopimusvuori.fi	8,8 M€	11 %
Kevama Oy	www.kevama.fi	2,7 M€	70%
Reumaliiton Kuntoutumiskeskus Apila	www.kuntoutumiskeskusapila.fi	4,7 M€	-35%
Kiipulan koulutus- ja kuntoutuskeskus	www.kiipula.fi	7,8 M€	3%
Kuntoutuskoti OIVA Oy	www.kuntoutuskotioiva.fi	2,8 M€	4%
Vetrea Terveys Oy	www.vetrea.fi	8,5 M€	-4%
Rokuan Kuntokeskus	www.rokua.fi	8,3 M€	-7 %
Oulunkylän Kuntoutussairaala	www.okks.fi	7,8 M€	6%
Ahtilan toipilassairaala	www.ahtila.fi	1,9 M€	54%
Oulun seudun Kuntoutussairaala Oy	www.kuntoutussairaala.fi	6,7 M€	2%
Kylpylä ja Kuntoutus Peurunka (also a hotel)	www.peurunka.fi	9,5 M€	-0,5%

Social services

Company	Website	Revenue 2009	Growth compared to 2008
Invalidiliiton asumispalvelut	www.validia.fi	45M€	15%
Mainio Vire	www.mainiovire.fi	40M€	18%
Attendo Medone Hoiva Oy	www.medone.fi	33M€	85%
Folkhälsan Syd Ab	www.folkhalsan.fi	31M€	-16%
Nuorten ystävät –palvelut Oy	www.nuorten-yst.fi	26M€	15%
Esperi Care Oy	www.esperi.fi	23M€	18%
KVPS Tukena Oy	www.kvps.fi	13M€	8%
Aspa Palvelut Oy	www.aspapalvelut.fi	14 M€	22%

Appendix 2: Member associations of the Union of Natural Medicine

The following organisations are members of the LKL:

- The Finnish Zone Therapists (Suomen Vyöhyketerapeutit ry) www.suomenvyohyketerapeutit.fi
- UMG- aromatherapists (UMG-aromaterapia yhdistys ry) www.aromatica.fi
- The Finnish Homeopaths (Suomen Homeopaatit ry) www.homeopaatit.fi
- The Finnish Modern Zone Therapists (Suomen Modernit ja Psykologiset vyöhyketerapeutit ry) www.vyohyketerapeutit.fi
- The Finnish Sauna Therapists (Suomen Kupparit ja Saunaterapeutit ry) www.kuppaus.fi
- Finnacu - The Finnish Traditional Chinese Medicine Society of Acupuncture and Herbs (Suomen perinteisen kiinalaisen lääketieteen yhdistys ry) www.finnacu.fi
- Art Therapists (Taideterapeutit ry) www.taideterapeutit.fi
- Finnish Reflexologists (Suomen Refleksologit ry) www.suomenrefleksologit.fi