The healthcare system in Sweden follows the principles of providing equal access to everyone. All legal residents in Sweden are entitled to basic healthcare services. The system emphasizes providing benefits, choice, and access for all its citizens. Many Swedes pride themselves in their universal healthcare system. However, some argue that this system has put a strain on the Swedish economy and has run into several problems such as increasing privatization of hospitals, growing waiting times, and increasing costs through aging population. Despite these issues, the Swedish healthcare system is generally regarded as one of the more advanced systems throughout the world and has been around for more than half a century.

**History of Healthcare in Sweden**

Here is a brief timeline of the development of the Swedish healthcare system:

1946- A national health insurance program, the National Health Insurance Act, was adopted for the first time.

1955- The plan was initiated, calling for universal coverage for all citizens funded primarily by the government through local income tax revenue where the control of healthcare is primarily in the hands of the county government in Sweden.

1970-“Seven Crown Reform”: Doctors became salary-based employee government run hospitals. Control was taken out of the doctors and government had more control over health plan.

1984- “Dagmor Reform”: County has power to decide when and where doctors should work. However, there was no control on healthcare costs as budgets were flexible, the costs rose during this period.

1990- “Stockholm Model”: Healthcare providers could be owned by private individuals or companies. Doctors and hospitals were given more control over the care of their patients and, as a result, quality improved.

2003- The issue where only about 50% of patients received care within three months was becoming more serious.
2005- The Swedish government guaranteed "no patient should have to wait for more than three months once it has been determined what care is needed."(Sweden.se)

Currently, keeping to this promise has remained one of the most challenging aspects for Sweden in managing their healthcare system.

**Structure and Benefits of the System**

Sweden consists of 290 municipalities, 18 county councils, and 2 regions, Västra Götaland and Skåne. It has a population of 9.4 million inhabitants with life expectancy of men being 79 years and women 83 years. (Sweden.se) The 2011 estimated nominal GDP of Sweden is $538.237 billion. (imf.org) Since the early 1980s, the cost spent on healthcare in Sweden has remained fairly stable and account for about 9.1 percent of Sweden's gross domestic product (GDP). Seventy-one percent of the healthcare operations are funded by the local county councils’ taxes, with the rest deriving from revenues of patient fees and revenues from the central government. According to World Health Organization’s ranking of the world’s healthcare system, Sweden was placed 23rd in the world. (photius.com) Due to the complexity of setting up the rankings, the WHO no longer produces this list. However, Sweden’s healthcare system is consistently perceived as one of best healthcare systems as patients can receive top-notch medicines and a broad scope of services.

The Swedish health system is functionally divided into three parts. The primary healthcare forms the basis of the system. It runs hospitals and specialist care in all geographical areas and provides home care and nursing homes. The second level is county hospitals that constitutes county hospitals and district hospitals but with less specialization. Those who are in need of more specialized care can be transferred to a primary health care facility. The third level of health care comprises of regional and university hospitals, such as those in major Swedish universities, Royal Institute of Technology (KTH) and Uppsala University. Highly specialized cares are provided within their research facilities by specialists who research and teach for the universities. There are no specialized programs for the rural areas. Most resources are in regional and university hospitals located in major cities, making access to specialized care less convenient for people living outside the urban area. National protocols and guidelines have been developed regarding each care procedure in order to control the cost. However, when alternative forms of treatment are available, the county councils allow the patients the full rights to choose between treatments that are justifiable by the symptoms and the cost of treatments at the county council’s charge. Regulations on patients’ rights and health care quality issues were passed by the National Board of Health and Welfare in 1994. (Albin, Hjelm, and Zhang)

Sweden consists of a large population of elderly people and retirees who require numerous health care resources. Under the well-developed formal Swedish welfare system, the elderly have access to both institutional and home-based care. The government provides nursing homes and service houses for those who cannot live at
home. The Swedish municipality also provides home care services to help the elderly with housekeeping and daily functions assistance. Just like other health care services, the care is heavily subsidized, and patients only pay a small fraction of the actual cost. The demand for privatized elderly care and home care services has shown an increasing pattern over the past years. Besides the government funded care facilities, privately-owned nonprofit organizations have also helped with servicing these demands.

(Johansson L.)

The Swedish Government is responsible for approximately 98% of the medical costs, which include consultation with specialists, hospitalization, and laboratory fees, care for the elderly, disabled and psychologically impaired, as well as maternity and pediatric care. Swedish citizens are only required to pay a small out-of-pocket fee when visiting a doctor or purchasing pharmaceuticals. Out-of-pocket fees are capped at 900 SEK (about $125 USD) per year, the purpose of which is not to collect money but to create right incentives for people as to where to seek cares in the hierarchy system (Yglesias M.). Furthermore, all healthcare and dental treatments are free for children and teenagers up to the age of 20. The nationwide government-sponsored health and medical care system is characterized by shared responsibility among central government, county councils and municipalities. Therefore, the government-sponsored types of healthcare system in Sweden can mainly be categorized into three levels: national, regional, and local.

At the national level, the role of the central government is to enact laws and establish principles and guidelines for health and medical care by agreements with the Swedish Association of Local Authorities and Regions, an organization that represents the county councils and municipalities. Moreover, the National Board of Health and Welfare (Socialstyrelsen) plays a fundamental and essential role as an expert and supervisory authority of the central government. The Health and Medical Service Act regulates the roles that the country councils and municipalities play in the healthcare system, with the purpose of granting more freedom to county councils and municipalities. At the regional level, one of the major roles county councils play is to organize the health care provisions within their territory of jurisdiction. County councils also regulate the prices and the types of services provided by private companies who are required to enter into contracts with the county councils. At the local level, municipalities provide care for the elders at home or in special accommodations, as well as for people with disabilities or psychological disorders. (Sweden.se)

**Cons of the System and Improvement Opportunities**

With the lengthening queues and inconsistent care the system has brought along, private insurance is slowly growing. Sweden’s private sector is expanding at roughly a rate of 400% since decades ago, due to the demand for faster services such as small operational procedures which could result in a queue of more than a few months long. Many of the private healthcare plans are among the workforce provided with benefits through employer insurance policies, which currently represent 80 percent of the healthcare insurance market. Along with the expansion of the private healthcare industry, Sweden’s central government and major county councils’ Healthcare Guarantee of limiting the wait
time to less than 90 days once it has been determined what care is needed by physicians. Part of the long wait results from the limitation of resources and lack of funding in recent decades. Hence, in order to improve this, the central government allocated an extra 1 billion SEK (approximately $140 million USD) each year since the beginning of 2010. Another perceived problem is the abuse of existing public health care resources funded by local and central government. Since the benefits are comparatively easy to access, there has been a tremendous amount of abuse and fraud against the system. This has further increased the cost of funding.

The trend in the increasing life expectancy in Sweden is further challenging the state of the pension and governmental savings. Sweden has one of the largest elderly populations among European countries. This has further raised concerns on how to satisfy the healthcare needs of all Swedish citizens, imposing a bigger strain on how the System needs to be funded.

With these growing concerns evident throughout Sweden’s healthcare system now, the opportunities for private healthcare has gradually arisen. There have been ongoing debates raging over what types of reforms are needed in the next step to keep Sweden’s national healthcare system alive in the face of an ever-tightening budget. The healthcare system in Sweden will continue to change as the needs and priorities of the population evolve. As one of the top countries in worldwide healthcare providers, the next steps that Sweden takes in modifying their system will definitely be studied closely by the rest of the world.

References


