Steering of treatment of substance use related problems

On public procurement in the Nordic countries

KERSTIN STENIUS THL FINLAND

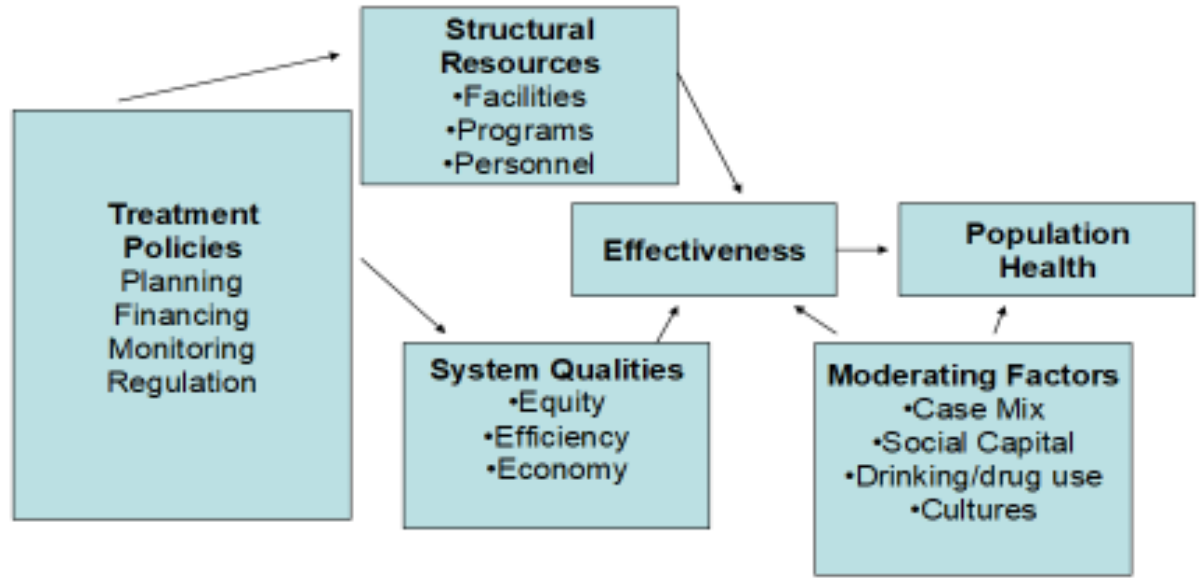
NORDAN CONFERENCE, COPENHAGEN 18-19 NOV. 2022

What is a treatment system?

- ”linkages between different facilities and levels of specialized care, and their integration wlth other types of services” (Klingemann et al. 1993)

Babor et al. 2008

Figure 1. Conceptual Model of Population Impact of Treatment Systems



Criteria for effective treatment systems

- Equity: accessibility, acceptability (culture, language, location, broad user perspective)
- Efficiency: flexible mix of good quality services (continuity, collaboration, integration & multiprofessionality, evidence, evaluations)
- Economy: appropriate allocation of sufficient resources

- All Nordic countries have legislations that states the duty of the state/region/municipality to provide ”sufficient” services to the citizens

Two logics in tax funded systems

- The welfare state model

UNIVERSAL SYSTEM

Ultimate service goals: Social security

Production logic: Political responsibility for provision of treatment in relation to needs (trad. with public sector production complemented by private in corporative model)

Steering: Political decisions (state or municipal/regional bodies)

The market steering model

DECENTRALISED SYSTEM

Ultimate service goals: Cost efficient services of good quality

Production logic: Fair competition between service producers, informed consumers choosing. Responsibility divided (politicians, providers, users)

Steering: Public sector purchasing through contracts OR/AND informed citizens choosing (certified) providers

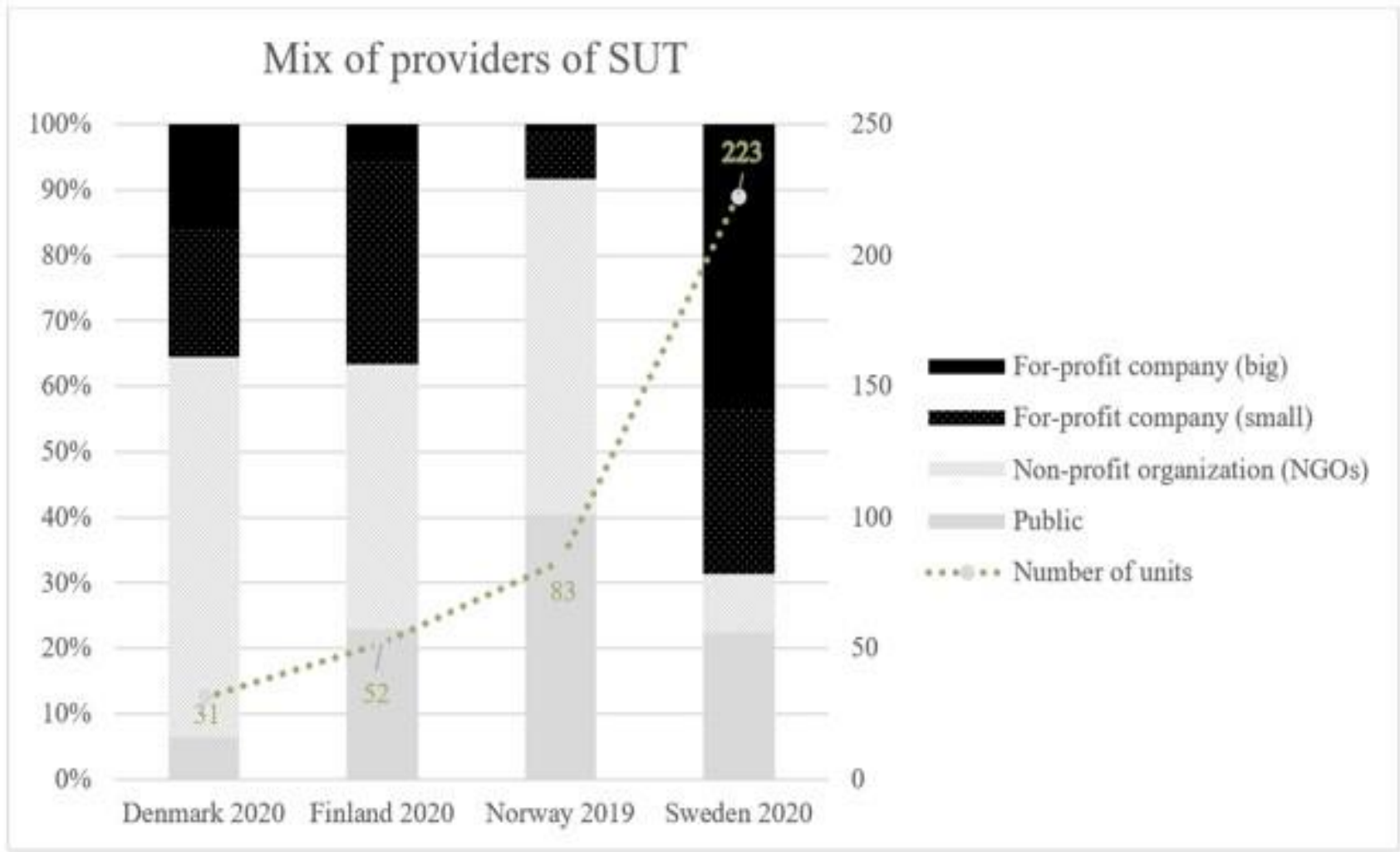


Figure 1. *Mix of providers of residential substance use treatment (SUT) units*

Public procurement

- Steering with contracts. Implemented from ca 1990
- EU-directives from 2004: free cross-border competition also for services
- National versions of directives; from 2016 more freedom in choice of procurement and procurement model in social and health care
- "In health care and social services there is often only limited cross-border interest. **The arrangements of service production must take into account national traditions and organisational features. For these reasons countries are given more liberty**" Higher threshold for strict procurement, many possible models
- Laws on/regulations of public procurement are statutes regulating the relations between purchasers and providers. These laws amount to procedural legislation, which aims at ensuring a fair and consistent application of the procurement procedure. They are *not* concerned with the definition of quality or quantity based on perceived public need for a service, nor with the results in terms of bad or good services. Users have no say

Study of Nordic implementations

- The core principles of the EU directives on public procurement are transparency in the process, equal treatment of all providers, open competition, and sound procedural management. The procurement regulations are designed to **achieve a market** for goods and services that is competitive, fair, open, and well regulated. With a fair competition and a rational procurement process it is believed that ***public funds will be used efficiently****, with the optimal relation between price and quality on goods and services* (see European Commission, 2019).
- By comparing four countries (Denmark, Finland, Norway and Sweden) and their adoptions of the EU directive in procurement laws and guidelines, we can get a picture of and **with which arguments the market steering logic has established itself.**

Data

- Laws and regulations, including guidelines, for public procurement of social and health care (by the end of 2018)
- Procurement expert interviews (national and local level), for picture of argumentation behind models and implementation
- Other written information on service production and procurement praxis

The analysis of differences looked for

- Presence of commercial providers
- Use of procurement
- Ideological favouring of market steering in governments 2016/2017
- Users right to choose treatment
- Economic threshold for mandatory public procurement
- References to social/health service legislations in procurement regulations
- References to public health aspects of treatment systems in procurement regulations
- User involvement in procurement

Norway: Political protection of the welfare model, the Third Sector, and the service users

WEAK SUPPORT FOR MARKET MODEL

Rel. low presence of commercial providers

Procurement only in bigger municipalities/limited in regions

Threshold for strict procurement

750 000 EUROs

In spite of right wing government strong political support for Third Sector

Savings not an issue

- STRONG SUPPORT FOR WELFARE IN PROCUREMENT REGULATIONS
- Strong emphases on social/health care laws
- Much emphases on public health aspects of treatment systems
- User involvement strongly emphasised (support for weaker citizens)

Norwegian ARGUMENTS

- Procurement guidelines argue against the principle of competition in social and health care: threatens continuity, integration and collaboration of services
- Competition with commercial actors threaten the Third Sector
- Third sector beneficial for user involvement (closer to civil society)
- It is a bonus (economically) if the provider's service is complemented with voluntary workers

FINLAND: DUAL STRATEGY. social/public health concern , towards marketisation?

- MEDIUM/HIGH SUPPORT FOR MARKET MODELS
- Fairly moderate but increasing presence of commercial actors
- Procurement in bigger municipalities; predicted increase with social- health care reform
- Rightwing government, left/center from summer 2019
- EU:s lowest threshold for mandatory strict procurement models in health and social care (400 000 EURO)
- Limitation of role of public sector
- STRONG SUPPORT FOR WELFARE IN PROCUREMENT REGULATIONS
- Social and health care laws stressed
- Public health relevant aspects of systems stressed
- User involvement stressed

FINNISH ARGUMENTS

- Lower threshold for strict procurement, public sector's limited possibilities to sell services to other municipalities/regions and the lack of mentioning of the Third Sector show an intention to enlarge the market influence.
- On the other hand, the law gives much room for attention to social/health care laws, including the right for users to complain over procurement referring to these laws, and stresses user involvement

SWEDEN: LATE REGULATION EFFORTS IN DEVELOPED MARKET

- VERY STRONG SUPPORT FOR MARKET MODEL
- Commercial providers have dominant position
- Procurement is the dominant steering procedure
- Soc.dem/green *minority* government
- Threshold for strict procurement 750 000
- Weak initiatives to strenghten role of Third Sector
- MEDIUM/LOW SUPPORT FOR WELFARE LOGIC
- No mention of social laws in regulations, only in government report
- Mentioning of public health aspects of systems only in guidelines
- User involvement not mentioned

SWEDISH ARGUMENTS

- Good procurement regarded as best guarantee for good systems
- Recent efforts to protect Third Sector, but on a market (too late?)
- Even if increasing critique of effects of privatized services, only weak efforts to stifle the market logic
- The strong presence of commercial actors an obstacle for radical reforms

DENMARK: PROCUREMENT NOT USED, REGULATED MARKET WITH CONSUMER STEERING

- STRONG SUPPORT FOR CONSUMER STEERED MARKET
- Many commercial providers
- (Almost) no procurement – customer choice instead
- Conservative-liberal coalition, later soc.dem-liberal
- Threshold for strict procurement 750 000
- Strict control of service quality, control of profit – no favouring of Third Sector
- WEAK SUPPORT FOR WELFARE LOGIC IN PROCUREMENT REGULATIONS – BUT CONSUMER INFLUENCE
- No mentioning of social or health care laws or public health aspects of treatment
- Very stong emphases on user involvement as consumer choice

DANISH ARGUMENTS

- The market is steered and controlled partly by accreditation with a system of consumer choice and partly through supervision of both the quality of the treatment and the finances of the providers, to avoid private companies´ abuse of public money.
- The Danish social service legislation stresses more than the others the autonomy and self-sustainability of the individual – less conflict between the two logics?

Modified market steering here to stay

- Norway: In some regions new private providers established, based on demand with the free treatment choice reform (of 2015). Possible complications in collaboration and integration of services
- Sweden: The big national procurement covers now over 100 municipalities. Companies are established to support municipalities in procurement processes, and to help providers get contracts. The administration is increasing, not least for the providers
- Finland: Big system reform 2023. Local experiments with strengthened user involvement in procurement, longer contracts, co-creation. Competition prevailing feeling. Little room for innovations.
- Denmark: a stable situation (?) with the online list of certified producers (Tilbudsportalen), social inspection and treatment choice

Which system fairs best? Compare for increased knowledge

Nordic comparisons and exchange of experiences would be benificial, as well as comparisons between regions and municipalities. Accept and utilise local variations!

Which of the Nordic system can best guarantee equity, efficiency and economy in a service system for complex, often long-term problems, varying individual needs, requirements of multiprofessional and multiagency interventions. We need studies that look at both quality and costs!

References

BABOR, T., STENIUS , K. & ROMELSJÖ, A.: ALCOHOL AND DRUG TREATMENT SYSTEMS IN PUBLIC HEALTH PERSPECTIVE: MEDIATORS AND MODERATORS OF POPULATION EFFECTS. INTERNATIONAL JOURNAL OF METHODS IN PSYCHIATRIC RESEARCH, 2008,17(S1), S50-S59

KLINGEMANN, H. & STORBJÖRK, J. : THE TREATMENT RESPONSE: SYSTEMIC FEATURES, PARADIGMS AND SOCIO-CULTURAL FREAMEWORKS. IN. T. KOLIND, B. THOM & G.HUNT (EDS), THE SAGE HANDBOOK OF ALCOHOL AND DRUG STUDIES: SOCIAL SCIENCE APPROACHES. (VOL. 1, PP. 260-286), LONFON: SAGE

STENIUS, K. & STORBJÖRK, J. BALANCING WELFARE AND MARKET LOGICS: PROCUREMENT REGULATIONS FOR SOCIAL AND HEALTH SERVICES IN FOUR NORDIC WELFARE STATES. *NORDIC STUDIES ON ALCOHOL AND DRUGS, 2020, 37 (1), 6-31*

Storbjörk, Jessica, et al. "Restructured welfare service provision: For-profit and non-profit providers in residential substance use treatment in Denmark, Finland, Norway and Sweden." *Nordisk Välfärdsforskning| Nordic Welfare Research* 3 (2021): 142-159.